

Idaho Economic Forecast

DIRK KEMPTHORNE, Governor

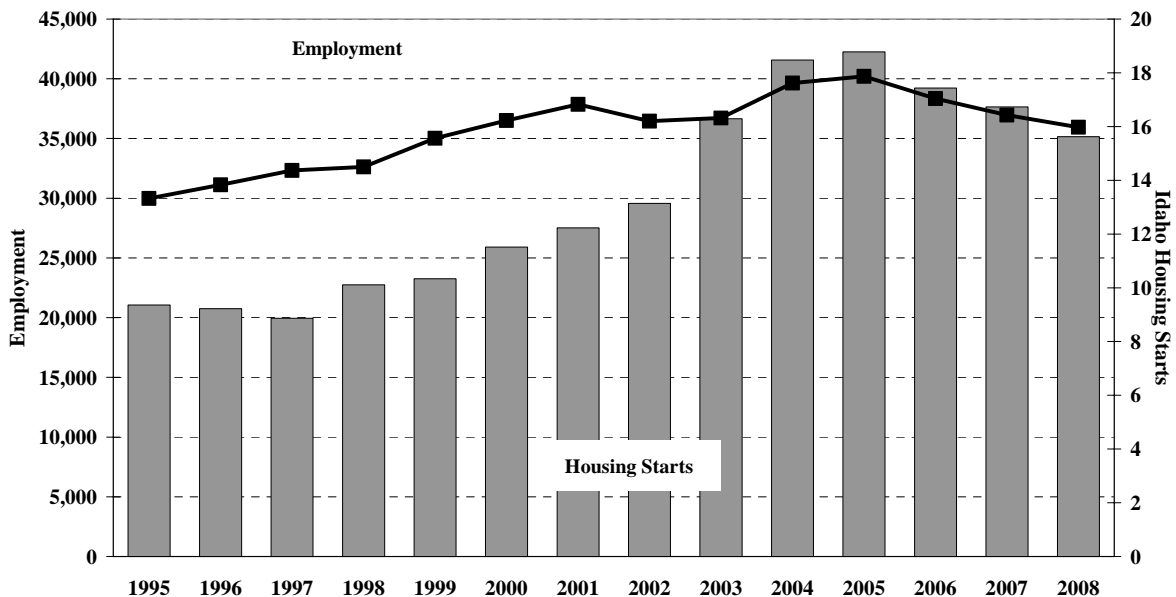
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- Forecast 2004-2008
- Productivity and Inflation
- Alternative Forecasts

Idaho Construction Employment & Housing Starts



**IDAHO
ECONOMIC
FORECAST
2004 - 2008**

State of Idaho
DIRK KEMPTHORNE
Governor

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PREFACE

Idaho's economy continues to grow and evolve as it enters the 21st Century. The 1980s was a decade of stop-and-start economic performance. However, it also ushered in one of the longest expansions in the state's history. Since 1987, nonfarm employment has expanded in every year and has consistently placed Idaho among the top ten fastest growing states in the nation. The 1990s saw a flood of new residents move into the state, causing the population to expand by an astounding 29% from 1990 to 2000. Over this period Idaho personal income nearly doubled. Much of the current expansion results from ongoing structural changes in Idaho's economy.

One of the biggest changes is the rise of the state's high-technology sector. Virtually nonexistent in the 1970s, this sector achieved critical mass in the 1990s to become the state's largest manufacturing employer. The growth of industry giants, such as Micron Technology and Hewlett-Packard, as well as the emergence and expansion of smaller companies, pushed payrolls above even the most optimistic forecasts made in the 1980s. The state's trade sector has also been going through a transformation. The last decade witnessed an influx of national "big box" merchandisers. During this same time, Idaho merchants successfully reached beyond the state's borders. Several regional shopping centers were established that serve locals, as well as attract shoppers from other states and Canada. Visitors fueled the surge in tourism that also benefited trade. Like its national counterpart, the service sector accounts for most of the nonfarm jobs in Idaho. Tourism has also been a boon to the service industry. While traditional factors, such as increasing discretionary income, continue to fuel the demand for services, other influences have emerged. For example, the use of temporary employees in manufacturing has bolstered business services employment. Idaho's outstanding work force has been a major factor in attracting call centers, back office operations, and credit companies.

While many changes are taking place today, traditional resource industries still play a major role in Idaho's economy. Indeed, the state's mining, agriculture, and timber sectors all experienced lulls in the late 1990s. While displaying more resilience to downturns than in the past, these industries are not totally immune from business-cycle effects. This continuing dependence on natural resources will bring a host of challenges to Idaho.

Other factors that are external to the state's economy will also present challenges to decision makers. Public policy decisions made in Washington, D.C. affect resource industry and federal installations such as the Idaho National Laboratory and the Mountain Home Air Force Base. Finding balanced and acceptable solutions to endangered and threatened species issues and timber supply issues are of major economic significance.

In order to deal effectively with these challenges, public and private decisions need to be made with a thorough understanding of the structure of the state's economy. It is to this end that the *Idaho Economic Forecast* is directed.

Division of Financial Management

700 W. Jefferson, Room 122
P.O. Box 83720
Boise, Idaho 83720-0032

Economic Analysis Bureau

Michael H. Ferguson, Chief Economist
Derek E. Santos, Economist
(208) 334-3900

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INTRODUCTION

The national forecast presented in this publication is the March 2005 Global Insight baseline forecast of the U.S. economy. The previous *Idaho Economic Forecast* is based on the November 2004 Global Insight baseline national forecast.

The recent history and current forecasts of Idaho construction employment and housing starts are featured on the cover of this edition of the *Idaho Economic Forecast*. Idaho housing starts are expected to be 18,778 units this year, 17,433 units next year, 16,728 units in 2007, and 15,623 units in 2008. In the January 2005 *Forecast* Idaho housing starts were projected at 17,634 units in 2005, 16,252 in 2006, 15,296 in 2007, and 13,968 in 2008. Idaho's construction payroll will rise to over 40,000 jobs in 2005 then fall gradually to about 36,000 jobs in 2008.

FEATURE

Several recent developments have raised concerns about a productivity slowdown in the U.S. that could slow economic growth and boost inflation. Though these developments give us ample reason to think seriously about what the future may hold for productivity growth, they should be viewed in perspective. In this *Forecast's* feature article, Federal Reserve Bank of San Francisco's President and CEO, Janet L. Yellen, offers her insights regarding this situation. This article is based on a speech Dr. Yellen delivered at the Economic Summit at the Stanford Institute for Economic earlier this year. The full text of this speech can be found at the Federal Reserve of San Francisco's web site.

THE FORECAST

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. Global Insight examines the effects of different economic scenarios, including the potential impacts of international recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are included in this report.

Historical and forecast data for Idaho and the U.S. are presented in the tables in the middle section of this report. Detail is provided for every year from 1991 to 2008 and for every quarter from 2002 through 2007. The solution of the Idaho Economic Model (IEM) for this forecast begins with the fourth quarter of 2004.

Descriptions of the Global Insight U.S. Macroeconomic Model and the IEM are provided in the Appendix. Equations of the IEM and variable definitions are listed in the last pages of this publication.

CHANGES

The historical Idaho nonfarm employment data appearing in this forecast was provided by the Idaho Department of Commerce and Labor and seasonally adjusted by the Idaho Division of Financial Management (DFM). This data consists of final employment estimates through the third quarter of 2004 and preliminary data for the fourth quarter of 2004. These new historical data show Idaho nonfarm employment in the first quarter of 2004 was about 1,400 lower than had been previously reported. This is the result of using a more accurate data source than was used in the January 2005 *Idaho Economic Forecast*. These same data show the Idaho nonfarm employment forecasts made in January 2005 for the third quarter under estimated actual employment by about 700. Interestingly, the preliminary data show the previous prediction for the fourth quarter of 2004 was virtually spot on.

The tables in this forecast also include the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) estimates of Idaho quarterly personal income through the third quarter of 2004. The BEA released its latest Idaho personal income estimates which run through the fourth quarter of 2004 in late March 2005. These new data will be incorporated into the July 2005 *Idaho Economic Forecast*.

As part of DFM's commitment to incorporate current data into the Idaho Economic Model (IEM), all of the stochastic equations in the model were estimated this spring. This was more than a mechanical reestimation. The model's entire structure was reviewed and changes made where appropriate. The results of these efforts can be found in the latter pages of the Appendix to this report.

The *Idaho Economic Forecast* is available on the Internet at http://dfm.idaho.gov/Publications/Econ_Publications.html. Readers with any questions should contact Derek Santos at (208) 334-2906 or at dsantos@dfm.idaho.gov.

SUBSCRIPTIONS

You can access the *Idaho Economic Forecast* for free at
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**Idaho Economic Forecast
Division of Financial Management
700 W. Jefferson, Room 122
P.O. Box 83720
Boise, Idaho 83720-0032**

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EXECUTIVE SUMMARY

The forecast presented here can be described as a “new and improved version” of the Idaho economic outlook. Indeed, this forecast is slightly more bullish than the forecast that was published in January 2005. In the current forecast, Idaho nonfarm employment advances 2.5% this year and averages 1.8% growth thereafter. At this pace, nonfarm employment reaches 630,439 in 2008. Both Idaho nominal and real personal income post their strongest growth in 2004, 6.4% and 4.1%, respectively. During the 2005 to 2008 period, Idaho nominal income rises 5.5% annually. Over this same period Idaho real personal income increases 3.5%. Perhaps the most notable change is Idaho construction employment. In January 2005, the number of construction jobs was forecast to peak at 39,000 in 2004 then gradually decline over the forecast period. However, data available since then show construction employment was still strong in late 2004. This should carry momentum into this year, so Idaho construction employment is now expected to peak at around 40,200 in 2005. As in the previous forecast, Idaho construction employment is expected to eventually slip, but the decline from its peak will not be as steep. Part of the reason construction employment has been so strong is because of healthy housing starts. In summary, Idaho’s economic outlook has improved compared to the January 2005 *Idaho Economic Forecast*. The Gem State can expect slow, steady growth over the forecast period. While this may not match the state’s stellar showing in the 1990s, it is a welcome improvement from its soft performances in 2002 and 2003.

This spring has brought renewed optimism about the national economy. This can be seen in many key indicators that have been revised upward since the last *Forecast* was published. Nominal GDP is not only higher than the previous projection, but actually grows faster. As a result of this faster growth, the gap between the current and previous nominal GDP projections, expressed as a percent, rises from 0.6% in 2005 to 1.2% in 2008. Interestingly, the gap between the two output estimates remains at about 0.5% in all years even when both are adjusted for inflation. This is because inflation is higher in the current forecast than in the previous one. This year should be the strongest on the forecast horizon. Real GDP is forecast to advance 3.7% in 2005. On the other hand both nonfarm employment and real personal income should advance at a healthier clip in 2005 than in 2004. Economic growth is expected to cool gradually after this year. Real GDP growth should average about 3%. Employment and income growth will also slow. One thing that remains from the previous forecast is high priced oil. Fortunately, higher oil prices have not yet triggered runaway inflation. In summary, the U.S. economy gained strength in 2004. Some of the momentum from last year should carry over into 2005, also making it a year of healthy growth. The U.S. economy should continue expanding after this year, but its rate of growth is expected to slow over time.

**IDAHO ECONOMIC FORECAST
EXECUTIVE SUMMARY
APRIL 2005**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
GDP (BILLIONS)											
Current \$	8,747	9,268	9,817	10,128	10,487	11,004	11,733	12,430	13,052	13,733	14,450
% Ch	5.3%	6.0%	5.9%	3.2%	3.5%	4.9%	6.6%	5.9%	5.0%	5.2%	5.2%
2000 Chain-Weighted	9,067	9,470	9,817	9,891	10,075	10,381	10,842	11,247	11,591	11,946	12,302
% Ch	4.2%	4.4%	3.7%	0.8%	1.9%	3.0%	4.4%	3.7%	3.1%	3.1%	3.0%
PERSONAL INCOME - CURR \$											
Idaho (Millions)	27,287	29,068	31,290	33,091	33,963	34,955	37,195	39,169	41,326	43,610	46,124
% Ch	7.6%	6.5%	7.6%	5.8%	2.6%	2.9%	6.4%	5.3%	5.5%	5.5%	5.8%
Idaho Nonfarm (Millions)	26,371	28,075	30,474	32,095	33,011	34,030	36,217	38,183	40,274	42,503	45,010
% Ch	7.1%	6.5%	8.5%	5.3%	2.9%	3.1%	6.4%	5.4%	5.5%	5.5%	5.9%
U.S. (Billions)	7,423	7,802	8,430	8,724	8,879	9,162	9,671	10,224	10,792	11,376	12,021
% Ch	7.3%	5.1%	8.0%	3.5%	1.8%	3.2%	5.6%	5.7%	5.6%	5.4%	5.7%
PERSONAL INCOME - 2000 \$											
Idaho (Millions)	28,429	29,788	31,289	32,411	32,800	33,128	34,495	35,659	36,987	38,255	39,578
% Ch	6.6%	4.8%	5.0%	3.6%	1.2%	1.0%	4.1%	3.4%	3.7%	3.4%	3.5%
Idaho Nonfarm (Millions)	27,475	28,770	30,473	31,436	31,880	32,251	33,589	34,762	36,045	37,284	38,621
% Ch	6.1%	4.7%	5.9%	3.2%	1.4%	1.2%	4.1%	3.5%	3.7%	3.4%	3.6%
U.S. (Billions)	7,734	7,996	8,429	8,545	8,575	8,683	8,969	9,308	9,658	9,979	10,315
% Ch	6.4%	3.4%	5.4%	1.4%	0.3%	1.3%	3.3%	3.8%	3.8%	3.3%	3.4%
HOUSING STARTS											
Idaho	10,110	10,337	11,515	12,233	13,142	16,293	18,476	18,778	17,433	16,728	15,623
% Ch	14.1%	2.2%	11.4%	6.2%	7.4%	24.0%	13.4%	1.6%	-7.2%	-4.0%	-6.6%
U.S. (Millions)	1,621	1,647	1,573	1,601	1,710	1,853	1,952	1,884	1,726	1,713	1,683
% Ch	9.9%	1.6%	-4.5%	1.8%	6.8%	8.3%	5.4%	-3.5%	-8.4%	-0.8%	-1.7%
TOTAL NONFARM EMPLOYMENT											
Idaho	520,476	538,102	558,578	568,017	568,006	572,506	586,921	597,852	608,257	619,598	630,439
% Ch	2.6%	3.4%	3.8%	1.7%	0.0%	0.8%	2.5%	1.9%	1.7%	1.9%	1.7%
U.S. (Thousands)	125,924	128,992	131,792	131,833	130,345	129,999	131,475	133,736	135,629	136,875	137,821
% Ch	2.6%	2.4%	2.2%	0.0%	-1.1%	-0.3%	1.1%	1.7%	1.4%	0.9%	0.7%
SELECTED INTEREST RATES											
Federal Funds	5.4%	5.0%	6.2%	3.9%	1.7%	1.1%	1.3%	3.2%	4.0%	4.3%	4.5%
Bank Prime	8.4%	8.0%	9.2%	6.9%	4.7%	4.1%	4.3%	6.2%	7.0%	7.3%	7.5%
Existing Home Mortgage	7.1%	7.3%	8.0%	7.0%	6.5%	5.7%	5.7%	6.2%	6.5%	6.7%	7.1%
INFLATION											
GDP Price Deflator	1.1%	1.4%	2.2%	2.4%	1.7%	1.8%	2.2%	2.1%	1.9%	2.1%	2.2%
Personal Cons Deflator	0.9%	1.7%	2.5%	2.1%	1.4%	1.9%	2.2%	1.9%	1.7%	2.0%	2.2%
Consumer Price Index	1.5%	2.2%	3.4%	2.8%	1.6%	2.3%	2.7%	2.2%	1.7%	1.9%	2.1%

**National Variables Forecast by GLOBAL INSIGHT
Forecast Begins the FOURTH Quarter of 2004**

**IDAHO ECONOMIC FORECAST
EXECUTIVE SUMMARY
APRIL 2005**

	2004				2005				2006			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP (BILLIONS)												
Current \$	11,473	11,658	11,815	11,989	12,196	12,357	12,517	12,648	12,803	12,972	13,135	13,299
% Ch	7.4%	6.6%	5.5%	6.0%	7.1%	5.4%	5.3%	4.3%	5.0%	5.4%	5.1%	5.1%
2000 Chain-Weighted	10,698	10,785	10,891	10,993	11,102	11,212	11,305	11,370	11,451	11,548	11,639	11,726
% Ch	4.5%	3.3%	4.0%	3.8%	4.0%	4.0%	3.3%	2.3%	2.9%	3.4%	3.2%	3.0%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	36,150	37,031	37,385	38,213	38,330	38,876	39,475	39,997	40,545	41,071	41,609	42,080
% Ch	6.5%	10.1%	3.9%	9.2%	1.2%	5.8%	6.3%	5.4%	5.6%	5.3%	5.3%	4.6%
Idaho Nonfarm (Millions)	35,196	36,026	36,451	37,195	37,387	37,915	38,450	38,980	39,516	39,999	40,541	41,039
% Ch	7.8%	9.8%	4.8%	8.4%	2.1%	5.8%	5.8%	5.6%	5.6%	5.0%	5.5%	5.0%
U.S. (Billions)	9,445	9,593	9,700	9,947	10,018	10,156	10,297	10,425	10,577	10,722	10,867	11,001
% Ch	5.0%	6.4%	4.6%	10.6%	2.9%	5.7%	5.7%	5.0%	6.0%	5.6%	5.5%	5.0%
PERSONAL INCOME - 2000 \$												
Idaho (Millions)	33,829	34,389	34,609	35,154	35,081	35,475	35,880	36,201	36,552	36,854	37,158	37,384
% Ch	3.1%	6.8%	2.6%	6.5%	-0.8%	4.6%	4.6%	3.6%	3.9%	3.4%	3.3%	2.5%
Idaho Nonfarm (Millions)	32,937	33,456	33,744	34,218	34,217	34,599	34,949	35,281	35,624	35,892	36,204	36,460
% Ch	4.4%	6.5%	3.5%	5.7%	0.0%	4.5%	4.1%	3.9%	3.9%	3.0%	3.5%	2.9%
U.S. (Billions)	8,839	8,908	8,980	9,151	9,168	9,268	9,359	9,435	9,535	9,621	9,704	9,773
% Ch	1.7%	3.2%	3.3%	7.8%	0.8%	4.4%	4.0%	3.3%	4.3%	3.6%	3.5%	2.9%
HOUSING STARTS												
Idaho	16,643	17,759	19,298	20,205	19,892	19,298	18,403	17,518	17,456	17,530	17,419	17,329
% Ch	-21.1%	29.6%	39.4%	20.2%	-6.0%	-11.4%	-17.3%	-17.9%	-1.4%	1.7%	-2.5%	-2.0%
U.S. (Millions)	1,943	1,920	1,969	1,978	2,047	1,890	1,820	1,779	1,745	1,726	1,720	1,713
% Ch	-16.8%	-4.7%	10.8%	1.7%	14.7%	-27.3%	-14.0%	-8.7%	-7.3%	-4.3%	-1.4%	-1.7%
TOTAL NONFARM EMPLOYMENT												
Idaho	579,966	586,622	589,520	591,575	593,524	596,522	599,511	601,851	604,414	606,723	609,528	612,364
% Ch	3.2%	4.7%	2.0%	1.4%	1.3%	2.0%	2.0%	1.6%	1.7%	1.5%	1.9%	1.9%
U.S. (Thousands)	130,541	131,325	131,731	132,302	132,822	133,437	134,081	134,604	134,998	135,475	135,873	136,171
% Ch	1.2%	2.4%	1.2%	1.7%	1.6%	1.9%	1.9%	1.6%	1.2%	1.4%	1.2%	0.9%
SELECTED INTEREST RATES												
Federal Funds	1.0%	1.0%	1.4%	2.0%	2.4%	2.9%	3.5%	3.9%	4.0%	4.0%	4.0%	4.1%
Bank Prime	4.0%	4.0%	4.4%	4.9%	5.4%	5.9%	6.5%	6.9%	7.0%	7.0%	7.0%	7.1%
Existing Home Mortgage	5.6%	5.7%	5.8%	5.7%	5.7%	6.0%	6.4%	6.6%	6.6%	6.5%	6.5%	6.5%
INFLATION												
GDP Price Deflator	2.8%	3.2%	1.4%	2.1%	2.7%	1.3%	1.9%	1.9%	2.0%	1.9%	1.9%	2.0%
Personal Cons Deflator	3.3%	3.1%	1.3%	2.5%	2.1%	1.2%	1.6%	1.7%	1.6%	1.9%	1.9%	2.1%
Consumer Price Index	3.9%	4.4%	1.6%	3.6%	2.4%	1.0%	1.5%	1.7%	1.6%	1.9%	1.9%	2.1%

**National Variables Forecast by GLOBAL INSIGHT
Forecast Begins the FOURTH Quarter of 2004**

NATIONAL FORECAST DESCRIPTION

The Forecast Period is the Fourth Quarter of 2004 through the Fourth Quarter of 2008

It appears spring has brought renewed optimism about the national economy. This can be seen in many key indicators that have been revised upward since the last *Forecast* was published. Nominal GDP is not only higher than the previous projection, but actually grows faster. Specifically, nominal output is anticipated to increase an average of 5.4% over the forecast period, which is noticeably quicker than the 5.0% pace forecast in January 2005. As a result of this faster growth, the gap between the current and previous nominal GDP projections, expressed as a percent, rises from 0.6% in 2005 to 1.2% in 2008. Interestingly, the gap between the two output estimates remains at about 0.5% in all years even when both are adjusted for inflation. This is because inflation is higher in the current forecast than in the previous one. The annual differences between the current and previous forecasts for U.S. real personal income are about 1.1% per year, which are even greater than the ones for real GDP. The outlook for U.S. nonfarm employment has also improved, so that it is 0.2% to 0.5% higher each year compared to the previous projection.

The economy performed admirably last year and it should perform well again in 2005. According to the U.S. Bureau of Economic Analysis, real GDP advanced 4.4% in 2004. Not only was this its strongest showing since 1999, but it was also growing much faster than its estimated potential of 3.3%. Nonfarm employment grew 1.1% in 2004, which was its first year-over-year gain in three years. And the pace of real personal income growth accelerated from 1.3% in 2003 to 3.3% in 2004. This year promises to be a lot like last year, and in some cases it should be better. Real GDP is forecast to advance 3.7% in 2005. While this is slower than in 2004, it is still slightly above its potential. On the other hand both nonfarm employment and real personal income should advance at a healthier clip in 2005 than in 2004. Specifically, U.S. nonfarm employment is expected to increase 1.7% and real personal income should rise 3.8%.

Economic growth is expected to cool gradually after this year. Real GDP growth should average about 3%, which is below its potential. Employment and income will also slow. For example, real nonfarm employment is anticipated to grow 1.4% in 2006, 0.9% in 2007, and 0.7% in 2008. One piece of good news is U.S. manufacturing employment, which has declined most of this decade, is forecast to grow in both 2006 and 2007. Real personal income should rise 3.8% in 2006, 3.3% in 2007, and 3.4% in 2008.

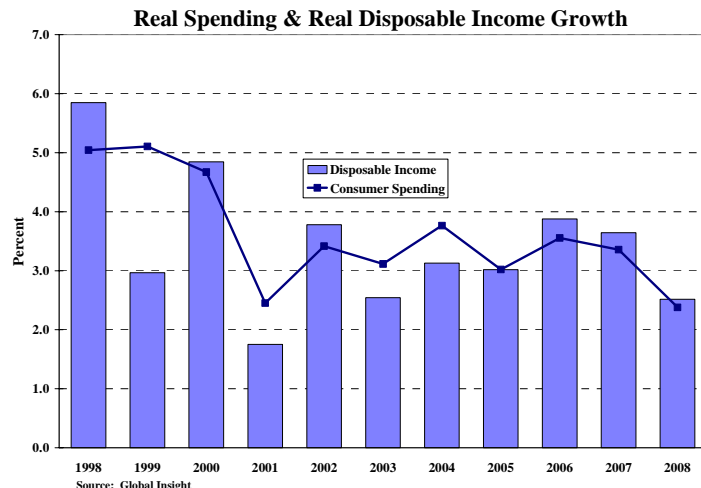
One thing that remains from the previous forecast is high priced oil. It was previously projected the spot price for West Texas Intermediate (WTI) oil would peak at \$46.13 per barrel this year then gradually retreat to \$34.14 per barrel in 2008. However, price spikes since then have led economic forecasters to rethink and revise their oil price projections. The current forecast calls for the WTI spot price to average \$45.82 per barrel this year and drop to \$34.70 in 2008. While higher oil prices have not yet triggered runaway inflation, their impacts are being felt. According to the Department of Labor, the energy component of the CPI rose 2.0% from January 2005 to February 2005—its biggest change since October 2004. The Department of Labor has determined this increase accounted for virtually all of the acceleration of the overall CPI. The transportation component of the CPI also felt the sting of higher oil prices.

In summary, the U.S. economy gained strength in 2004. Some of the momentum from last year should carry over into 2005, also making it a year of healthy growth. The U.S. economy should continue expanding after this year, but its rate of growth is expected to slow over time.

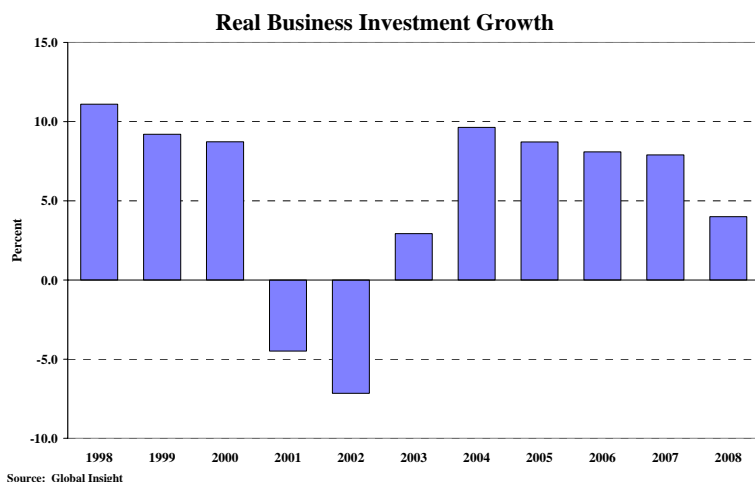
SELECTED NATIONAL ECONOMIC INDICATORS

Consumer Spending: After carrying the U.S. economy on its huge shoulders for several years, the consumer sector should finally receive some help keeping it aloft. The strength in real consumer spending helped make the 2001 recession one of the mildest on record. According to the National Bureau of Economic Research, the average U.S. recession lasts 17 months. At eight months long, the 2001 recession's duration was less than half the historical average. Another measure of a slowdown's severity is the decline in national output. Records show real GDP

declined a modest 0.2% from its pre-recession peak in the last quarter of 2000 to its trough in the third quarter of 2001. In contrast, real GDP shrank 1.3% from peak to trough during the 1990-1991 recession. A major difference between the two recessions was the behavior of the consumer sector. Of the two slowdowns, the 1990-1991 slowdown was the more typical. During this period, real consumer spending declined 1.1%. In contrast, real consumer spending grew through the 2001 recession. This strength was an important offset to other sectors that were dragging down output. For example, real business investment declined for the nine successive quarters from the fourth quarter of 2000 to the first quarter of 2003 and the net export deficit swelled from \$397 billion to \$512 billion. The consumer-spending share of GDP rose to 71% in 2003, which is significantly higher than its long-run (1959-2004) average of 65%. It should be noted spending remained resilient despite some serious challenges to consumers' confidence, such as the Iraqi War, the stock market correction, and lackluster job growth. However, these concerns appear to have been no match against the lure of new automobiles, consumer electronic goods, and low interest rates. Not even slow income growth could keep American consumers away from the mall and out of automobile showrooms. As in the past, Americans emptied their piggy banks and took on debt when their desires grew faster than their means. And low interest rates helped justify this action. Low interest rates made higher debt loads more affordable and lowered the incentive to save. Low interest rates had another important impact. They made home refinancing attractive. Many homeowners cashed out a portion of their equity or took out home equity line of credit. This provided additional cash for the consumers' shopping spree. Federal income tax cuts also helped thicken Americans' wallets. Moving forward, consumers will not be able to depend on some of these factors. The Federal Reserve has already begun raising rates and the growing federal deficit makes further tax cuts unlikely. In addition, the U.S. personal savings rate is under 1%, so this source of funding is nearly tapped out. Absent these options, it appears consumers will have to live within their means. Real consumer spending will grow about 3.0% per year, which is about the same pace as real disposable personal income.



Business Investment: After lying dormant for several quarters, real nonresidential business investment roared back to life in 2004, posting its first double-digit year-over-year gain since 1998. Last year's impressive 10.6% increase was fueled in large part by the strong recovery of business spending on equipment and software. The 13.5% increase in equipment and software spending was a welcome change from 2001 and 2002 when spending retreated and 2003's relatively mediocre showing. Last year's gain was not unexpected. Most forecasters believed equipment and software spending would accelerate in order to take advantage of favorable tax treatment for investments that expired at the end of 2004. However, they also feared 2004's success might prove to be a double-edged sword that would suppress investment in 2005. This is because it was assumed a portion of the increased investment in 2004 resulted from sales that would have taken in place in 2005 being moved into 2004. For example,

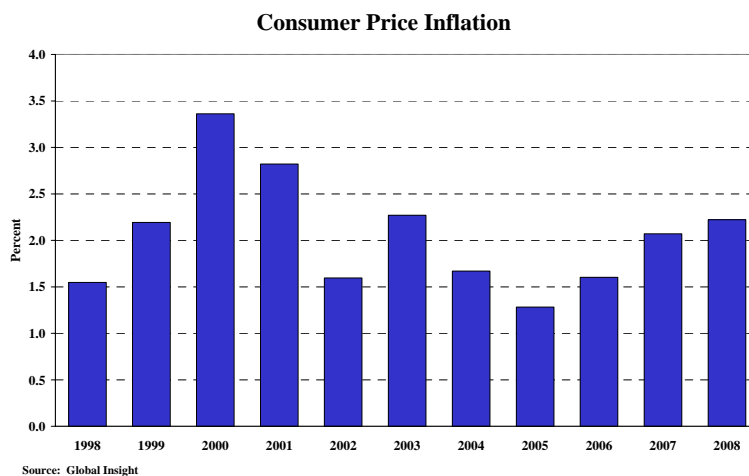


in November 2004 it was projected real investment in equipment and software would drop to a 2.1% annual pace in this year's first quarter. Interestingly, there is no evidence investment has dropped off so far in 2005. There are a couple of reasons investment has not dropped. One reason is the financial accelerator effect. Proponents of this theory believe investment is tied to recent changes in GDP growth. Specifically, financing investment projects is easier when the economy is growing quickly than when it is growing slowly. According to the *Economic Report of the President for 2005*, investment picked up in 2003 and

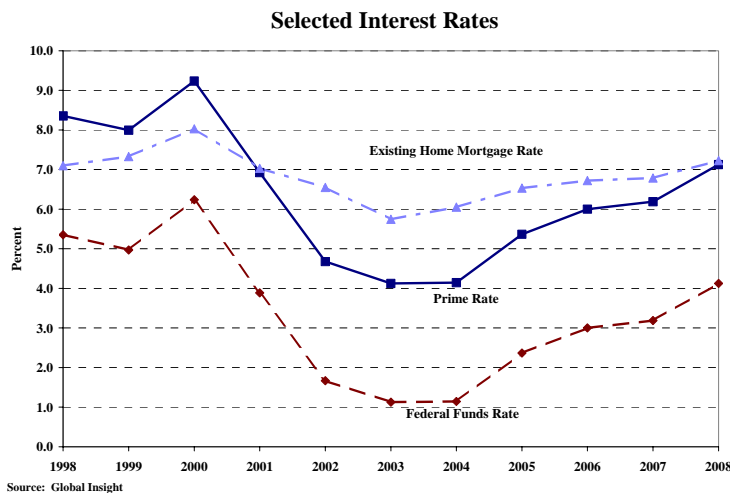
2004 because GDP growth accelerated in 2001 and 2002. The second reason is businesses may have changed their outlook of the future. In the recent past, investment could have been hindered by uncertainty. It appears businesses may have finally shaken of their fears and are more positive about the economy's future. Indeed, the economy is on more solid footing, and the consensus is that it will expand for several more years. This has led to an upward revision of the investment forecast. It is now believed real spending on equipment and software will rise at a 14.2% annual rate in the first quarter of this year and an 11.0% rate in the second quarter. This strong start should help equipment and software investment repeat last year's 13.5% gain in 2005. After posting double-digit growth in 2004 and 2005, annual spending on equipment and software is forecast to slip into a single-digit pace in the remaining years of the forecast, and overall business spending will follow suit. Specifically, real business spending on equipment and software should advance 13.5% this year, 6.3% next year, 5.9% in 2007, and 6.0% in 2008. Overall business investment is forecast to increase 11.6% in 2005, 6.6% in 2006, 5.0% in 2007, and 4.8% in 2008.

Inflation: Soaring oil prices are once again fueling inflation fears. Last fall oil prices rose above \$50 per barrel. This increase was blamed on strong world demand and the loss of supply resulting from hurricanes in the Gulf of Mexico. The impact of rising energy prices has been documented by the U.S. Department of Labor. According to its most recent consumer price index, the energy component jumped 4.0% from September 2004 to October 2004—the largest increase of any price category for that period. Not surprisingly, the transportation category also reflected the

sting of higher oil prices; it jumped over 2%. Overall consumer inflation increased 0.6% from September to October, which was three times faster than the increase from August to September. This price surge was short lived. By December of last year and January the rate of inflation had slowed noticeably as energy prices retreated. Since then, energy prices have accelerated. According to the Department of Labor, the energy component of the CPI rose 2.0% from January 2005 to February 2005—its biggest change since October's jump. The Department of Labor has determined this increase accounted for virtually all of the acceleration of the overall CPI. The transportation component of the



CPI also felt the sting of higher oil prices, rising by 0.8% in February. Of course, consumers do not need to peruse government statistics to measure the impacts of higher oil prices; they are reminded of it every time they fill their gas tanks. Gasoline prices moved above \$2.00 per gallon in early March 2005. Specifically, the all-areas, all-formulations price was \$2.098 per gallon in the second week of March, which was three cents above its October 2004 peak. Despite the noticeably higher oil prices, inflation is not expected to accelerate over the forecast period. Specifically, the forecast for overall inflation in 2006 is the same as the projection reported in the January 2005 *Idaho Economic Forecast*. The inflation forecasts for the remaining years of the forecast are just slightly higher than had been previously published. One of the reasons inflation should remain tame is annual employment cost increases should remain under 4%. The most obvious wildcard is employers' health insurance costs. Should these costs rise faster than anticipated, overall inflation will heat up.



Financial: There have been few surprises at the nation's central bank. The Federal Reserve raised its federal funds rate by 25 basis points twice this year, bringing the rate to 2.75% in early spring. It appears the central bank is attempting to raise the federal funds rate to a level that will afford it more maneuvering room in the future. Recent experience shows why this is important. In an attempt to kick-start the stalled U.S. economy the Federal Reserve began lowering the federal funds rate in January 2001. By June 2003 the federal funds rate had fallen 550 basis points to 1%, where it remained for about

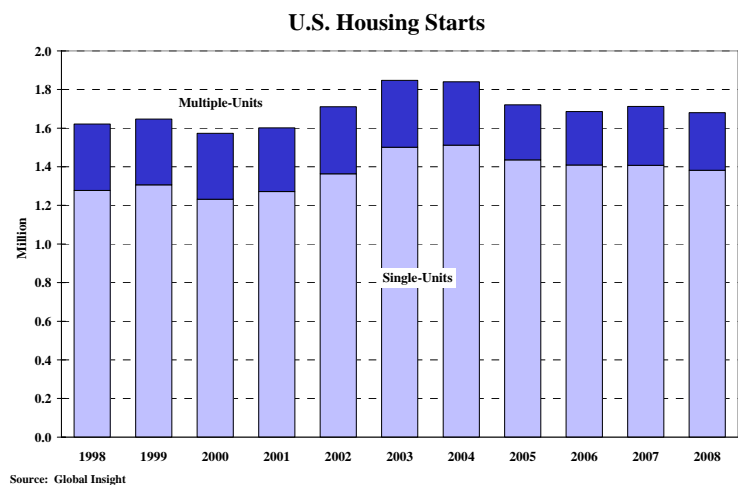
a year. This year proved stressful because, with the federal funds rate so low, the central bank risked losing its favorite policy tool. It was if the Federal Reserve, which had so adroitly balanced on the razor's edge between growth and inflation, was in danger of running out of razor. Ironically, the low inflation environment that allowed the Federal Reserve to lower rates threatened to become a deflation environment in 2004. Fortunately, this never occurred. The Federal Reserve began tightening in June 2004. It remains to be seen how high the federal funds rate will rise. This forecast assumes the federal funds rate will be increased gradually to about 4% by year's end, where it will remain through most of next year. This implies the real interest rate (nominal interest rate less the inflation rate) will be about 2% in 2006. After pausing next year, the federal funds rate is projected to gradually rise to 4.25% in 2007 and 4.52% in 2008.

International: The outlook for the global economy has improved in recent months as a result of the continued resiliency of U.S. import demand, a reacceleration of China's sizzling economy, and renewed signs of life in the Eurozone's off-again, on-again expansion. Specifically, over the next few years the global economy should expand about 3.2% per year. Of course, growth will vary by region. Asia is anticipated to enjoy the strongest growth. This region's (and the world's) hottest performer is China, which should expand an average of over 7% per year. All other Asian countries except for Japan should also display healthy growth. Japan is the laggard; its output should increase by less than 2% over the next few years. At this pace, Japan will not only lag the emerging Asian economies, but will also trail many countries with developed economies. The only region whose performance is close to Japan's is the Eurozone, which is expected to grow about 2% annually. In comparison, Canada, Mexico, South America, and the United States should all advance from 3% to 4% annually over the next few years. Given the weak domestic economies of several key trade partners, it appears any improvements to U.S. export trade will depend on a further retreat of the greenback. The dollar's retreat should also stem the flood of imports because it raises the price of foreign goods relative to

domestic goods. An important exception to this is China because its currency is tied to the U.S. dollar. Anyone expecting the declining dollar to provide a quick fix to the nation's swelling trade deficit will be disappointed. Because trade volumes take longer to respond than changes in the dollar's value, the nominal U.S. trade deficit will get worse before it improves. The current account deficit is expected to exceed \$770 billion in 2005, or about 6.2% of GDP. It should shrink slowly thereafter, and is predicted to be around \$730 billion in 2008. This nagging trade imbalance reflects the fact that the global economy remains far too dependent on the U.S. economy.

Employment: National nonfarm employment should post its strongest growth of the forecast period in 2005 and 2006. Confident the economy is on solid footing, U.S. businesses are expected to expand payrolls by 1.7% this year and 1.4% next year, which is significantly faster than 2004's 1.1% growth. While the growth rate may be different, 2005's employment growth pattern is similar to 2004's. Last year it was difficult to draw a bead on monthly employment changes because it was so volatile. In some months nonfarm employment grew above expectations and in others months it was below expectations. This pattern has continued into 2005. A review of the U.S. Department of Labor's *Employment Situation: March 2005* reveals nonfarm employment grew by a disappointing 110,000 jobs from February 2005 to March 2005. Most analysts were hoping the March job gain would be closer to the February 2005 increase of 238,000 jobs. The economy eked out just over 100,000 jobs in January 2005. Despite suffering a few disappointing months, the U.S. employment trend is positive. For example, U.S. nonfarm employment has increased in every month since late 2003. Another testimony to the labor market's strength is the full percentage point decline in the unemployment rate from 6.2% in June 2003 to 5.2% in March 2005. Another positive sign is the job losses that have plagued the manufacturing sector for several years are projected to end in 2005. Overall, U.S. nonfarm employment, after growing 1.4% in 2006, should rise 0.9% in 2007 and 0.7% in 2008.

Housing: Last year was a banner year for the nation's housing sector. Existing home sales totaled 6.61 million units, with new home sales accounting for 1.18 million of that total. Both were well above their 2003 showing, and earned them places in the record books. Single-family starts and permits also secured their places in history with strong performances last year. Total housing starts and permits did not set records in 2004, but deserve accolades nonetheless. While the housing sector was expected to do well, no one anticipated its record-setting showing. For example, in



Global Insight's December 2003 U.S. macroeconomic forecast both total housing starts and total housing sales were expected to drop slightly in 2004 from its 2003 pinnacle. This outlook reflected the negative impacts of anticipated interest rate increases that would raise the 30-year fixed mortgage interest rate from 5.83% in 2003 to 6.44% in 2004. The Federal Reserve did tighten, but mortgage rates barely budged to just 5.84% in 2004. The housing sector was also bolstered by other factors, including strong real disposable income growth, historically low unemployment rates, and sanguine homebuyers. Another important component was above-normal housing price appreciation. According to the Office of Federal Housing Enterprise Oversight (OFHEO), U.S. housing prices rose 11.2% from the fourth quarter of 2003 to the fourth quarter of 2004. Interestingly, housing has performed better than stocks over the last five years. Specifically, U.S. housing prices appreciated about 50% since 1999, while the stock market actually declined nearly 15%. A market this hot raises fears of a housing bubble. Indeed,

there are some regions that are at high risk. PMI Mortgage Insurance Company (PMI) recently published a report covering the vulnerability of the nation's 50 largest housing markets. After considering several economic factors, PMI determined the housing markets with the greatest risk of falling house prices was Boston-Cambridge-Quincy, MA-NH; San Jose-Sunnyvale-Santa Clara, CA; San Francisco-Oakland-Fremont, CA; San Diego-Carlsbad-San Marcos, CA; and Providence-New Bedford-Fall River, RI-MA. The U.S. housing sector is expected to gradually retreat from its recent highs without suffering any serious calamities. For example, existing housing sales prices should continue rising, but nowhere near 2004's 8.8% pace. After reaching nearly 2.0 million units in 2004, U.S. housing starts are predicted to be 1.9 million units in 2005, and about 1.7 million units in 2006, 2007, and 2008.

IDAHO FORECAST DESCRIPTION

The Forecast Period is the Fourth Quarter of 2004 through the Fourth Quarter of 2008

The forecast presented here can be described as a “new and improved version” of the Idaho economic outlook. Indeed, this forecast is slightly more bullish than the forecast that was published in January 2005. In the current forecast, Idaho nonfarm employment advances 2.5% in 2004 and averages 1.8% growth thereafter. At this pace, nonfarm employment reaches 630,439 in 2008. Both Idaho nominal and real personal income post their strongest growth in 2004, 6.4% and 4.1%, respectively. During the 2005 to 2008 period, Idaho nominal income rises 5.5% annually. Over this same period Idaho real personal income increases 3.5%.

Earlier this year it was reported Idaho’s economy would experience steady, but slow growth over the next few years. Specifically, Idaho nonfarm employment was anticipated to increase 2.6% in 2004 and average 1.7% annual growth over the remaining years of the forecast, so by 2008 the state’s total employment would be about 628,000. In January 2005, it was projected Idaho nominal personal income would expand at a 5.3% annual pace. Adjusted for inflation, Idaho personal income was expected to grow about 3.3% per year.

Major differences between the current and previous Idaho forecasts have been described in the preceding two paragraphs. While these broad observations are essential, a more detailed look at the forecasts’ components reveals larger changes. Perhaps the most notable change is Idaho construction employment. In January 2005, the number of construction jobs was forecast to peak at 39,000 in 2004 then gradually decline over the forecast period. However, data available since then show construction employment was still strong in late 2004. This should carry momentum into this year, so Idaho construction employment is now expected to peak at around 40,200 in 2005. As in the previous forecast, Idaho construction employment is expected to eventually slip, but the decline from its peak will not be as steep.

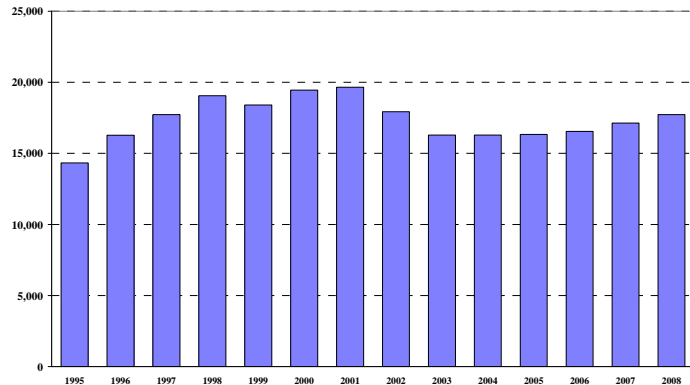
Part of the reason construction employment has been so strong is because of healthy housing starts. For example, instead of retreating at a 9.8% rate as had been predicted, Idaho housing starts expanded at a 20.2% annual rate in the last quarter of 2004. This has raised the starting point for the housing forecast and pushed its zenith to 2005 from 2004. It is anticipated housing starts will eventually yield to rising interest rates and gradually decline. But offsetting the negative effects of higher interest rates is stronger population growth. For several years, the forecasts called for Idaho’s population growth to downshift to about 1.5%. And for several years, the population has grown faster. Most recently, the U.S. Census Bureau estimated the Gem State’s population grew 1.9% in 2004, which was well above the 1.5% pace reported earlier. As a result, the Idaho population forecast has been revised upwards, so the number of residents in 2008 is 11,400 higher than had been previously forecast.

In summary, Idaho’s economic outlook has improved compared to the January 2005 *Idaho Economic Forecast*. The Gem State can expect slow, steady growth over the forecast period. While this may not match the state’s stellar showing in the 1990s, it is a welcome improvement from its soft performances in 2002 and 2003.

SELECTED IDAHO ECONOMIC INDICATORS

Computer and Electronics: The state's largest manufacturing employment sector regrouped in 2004 after taking stiff hits in 2002 and 2003. It is poised to experience steady, but relatively slow job growth over the forecast period. In order to appreciate the significance of last year's turnaround, one must review this sector's recent history. Idaho computer and electronics has been one of the strongest performers during the state's protracted expansion that began in the late 1980s. Over this period, computer and electronics employment sped along much faster than overall Idaho

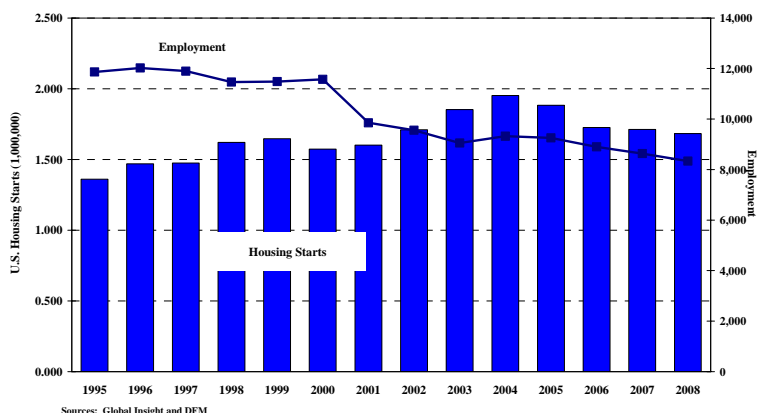
Idaho Computer & Electronic Products Employment



nonfarm growth, passing several mileposts along the way. Near the beginning of the expansion, this sector overtook the lumber and wood products sector to become the state's largest durable manufacturing employer. It became the state's largest manufacturing employer when it passed the food processing sector in 1997. The long string of Idaho computer and electronics annual job gains was broken when this sector shrank 3.4% in 1999. However, this setback was small compared to the fallout it suffered after the high-tech bubble burst. Fueled by the demands of the Telecommunications Act of 1996, concerns over Y2K, and the popularity of the Internet, real investment in computer equipment advanced by at least 40% each year from 1995 through 1999. The output of U.S. computer and electronic equipment producers averaged over 31% annual growth during the second half of the 1990s. Unfortunately, real business investment retreated in 2001 and 2002. In 2001, Jabil Circuit, MicronPC.com, SCP Global Technologies, Micron MCMS, AMI, and Hewlett-Packard reduced their staffs. As a result, this sector's employment growth slowed from 5.7% in 2000 to 1.0% in 2001. The Gem State's computer and electronics sector suffered another round of layoffs in 2002, which caused employment to decline 8.8% in that year. The one notable exception to the companies shedding jobs was Micron Technology. Despite being hard hit by the reeling high-tech sector, the state's largest private employer was able to avoid layoffs in both 2001 and 2002. Micron Technology eventually succumbed to the weaker business conditions and laid off over 1,000 of its Idaho workforce the winter of 2003. The tally taken at the end of 2003 shows Idaho computer and electronics sector jobs lost about 4,700 during the 11-quarter downturn. Conditions improved in 2004, and this sector's employment grew in three of that year's four quarters. Micron recently announced its payroll is back to its pre-layoff level. However, the future will have its challenges. One of the biggest challenges is how to avoid a glut of supply in the global semiconductor market. Many of the semiconductor industry's worst years can be traced to overproduction which caused prices of these devices to collapse. On a positive note, there is some evidence manufacturers are displaying more self-discipline than in the past, and this could keep supply and demand more balanced and help avoid another price collapse.

Resource-based Sectors: Agriculture in Idaho is undergoing stress from a variety of quarters, with water issues being of primary concern to southeastern Idaho farmers. A recent order issued by the Director of Water Resources requires that ground water pumpers from the Snake River Plain Aquifer supply senior water rights holders with 133,400 acre-feet of water in order to be allowed to continue pumping groundwater. While this issue is far from settled, agriculture experts at the University of Idaho believe the water issues will have more impact on the composition of Idaho agriculture than the monetary value of output. Put simply, high valued uses are expected to find the water needed to

Idaho Logging & Wood Products Employment and U.S. Housing Starts



operate. Two of the state's resourced-based sectors, mining and logging and wood products, enjoyed a respite in 2004 from their string of job losses. Unfortunately, this relief is expected to be short lived, and both sectors are expected to resume losing jobs this year. Employment in the lumber and wood products sector most recently peaked in 1996 and, except for two minor gains in 1999 and 2000, had been falling until 2004. The worst year was 2001, when employment declined a whopping 14.9%. Employment fell by another 3.0% in 2002 and 5.3% in 2003. The closing of

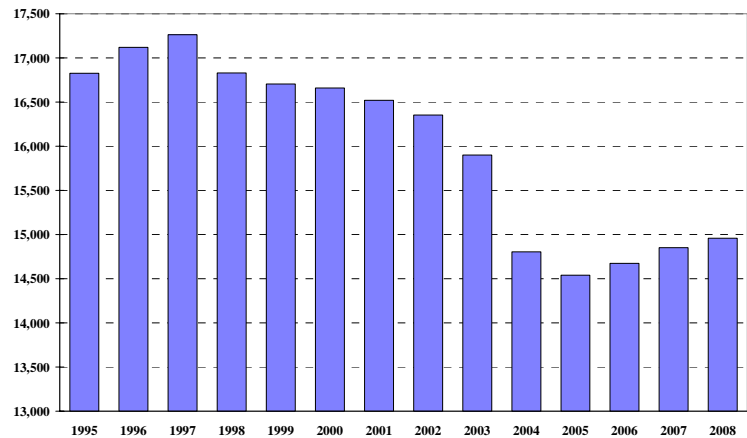
several mills over this period caused a portion of these declines. One of the reasons these mill closures are distressing is because their job losses are permanent. Unlike cyclical layoffs, where employees are recalled when business conditions improve, workers from closed mills have no place to return to work. It should also be pointed out that these tend to be high-paying jobs and the mill is often a community's major employer. As a result, the fallout from a mill closure is felt not just inside the mill's gate, but also throughout the community. Last year's employment increase suggests the Gem State's logging and wood products sector may have finally benefited from the strong demand for housing. Idaho mills also benefited from the falling dollar which improved their competitiveness against their Canadian rivals. However, as the U.S. housing market recedes from its recent record levels, this sector's fortunes will be shaped by supply forces. This sector depends on timber from public lands, but this supply has been dwindling. A look at the last decade's harvests shows how steep the decline has been. According to the U.S. Department of Agriculture, 739 million board feet (mbf) were harvested in Idaho in 1991, or about 41% of the state total. In comparison, federal lands in Idaho yielded just 102 mbf a decade later, which was less than 10% of the total harvest. The uncertainty of supply from federal forest is just one cloud on this sector's forecast horizon. Another concern is the current manufacturing over capacity. Strong markets in the 1990s led to heavy capital investment in this sector. As a result, it is estimated the industry can produce 20% to 25% more lumber than is being consumed in North America. In addition, unresolved fair trade issues between the U.S. and Canada are another source of uncertainty. Strong metal prices stalled Idaho mining job losses in 2004. Over time, this sector has experienced both expansions and contractions consistent with the business cycle. Idaho mining employment fell from the beginning of 1991 until it hit a trough in 1993. Employment hit its next peak in 1997. The mining sector has been shedding jobs since then. A clear pattern is that each successive mining employment peak is lower than the previous one. This trend is expected to continue, and this does not bode well for the state's mining sector, despite the 2004 job increase.

Food Processing: One of the Gem State's cornerstone manufacturing sectors, food processing, appears to be starting a new chapter in its long and rich history. This will be a welcome change from the string of job losses it has suffered in recent years. Buffeted by structural and cyclical storm winds, this sector shed nearly 2,500 jobs from 1997 to 2004. Contributing to these losses were the closures of some of the state's older processing facilities that were deemed to no longer be efficient. For example, J.R. Simplot Company shuttered its Heyburn potato processing plant that had been built in 1960 and had run continuously since that time. This closure reflects a trend of closing older, less efficient plants and replacing their production in plants located outside of the Gem State. Nearly 360 jobs were lost when unfavorable business conditions caused J.R. Simplot Company to also close its Nampa meat packing

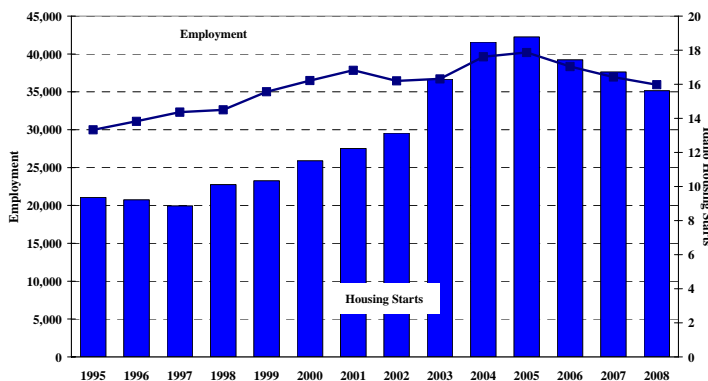
plant in the fall of 2003. However, not all trends have been negative. The food-processing sector has benefited from the states expanding dairy industry. According to the USDA, the size of Idaho's dairy herd has nearly doubled from 208,000 cows in 1994 to 404,000 cows in 2003. Over this same period, milk production more than doubled from 3.8 billion gallons to 8.8 billion gallons because of the increased output per cow. The amount of milk sold to plants also more than doubled during this time. Milk cash receipts grew from a little under one-half billion dollars

in 1994 to over one billion dollars in 2003. The dairy industry continues to shore up this sector's employment. J.R. Simplot Company gifted the entire property of its Heyburn plant to the City of Burley, and Gossner has already announced plans to build a cheese plant at the site. The plant will create over 40 jobs when it becomes operational in October 2005.

Idaho Food Processing Employment



Idaho Construction Employment & Housing Starts



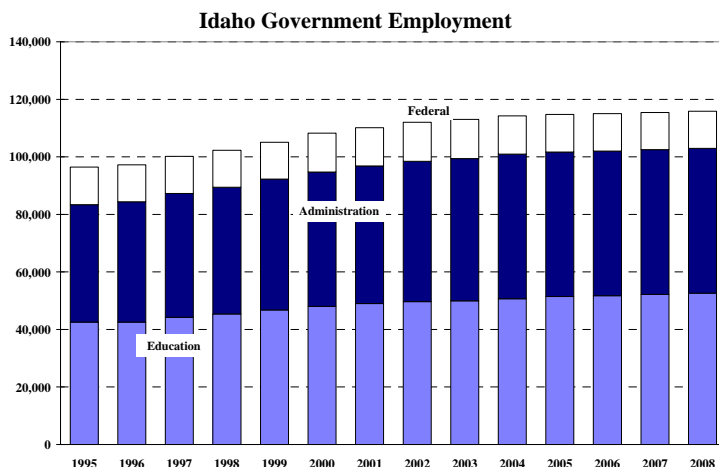
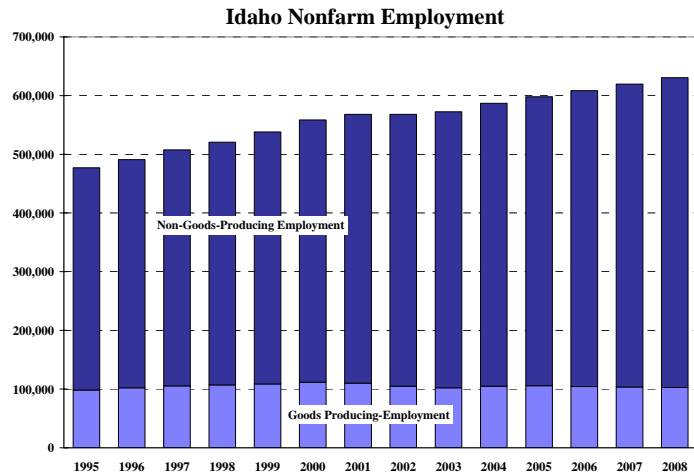
Construction: The construction sector outlook is decidedly more bullish in this *Forecast* compared to the previous *Forecast*. This can be seen in both housing starts and construction employment projections. The January 2005 *Forecast* reported Idaho housing starts would reach a zenith of 18,077 units in 2004 then gradually decline to about 14,000 units in 2008. However, recent data suggest this forecast was too bearish. For example, the previous forecast assumed annualized housing starts would peak at around 19,300 units in the third quarter of 2004 then begin its retreat. However, more recent data show total housing starts grew to over 20,000 units in the last

quarter of 2004 instead of declining, suggesting there was still wind in this sector's sails. As a result, the starting point for the housing forecast has been raised and its decline is now shallower than in the previous forecast. Specifically, Idaho housing starts are expected to be 18,778 units this year, 17,433 units next year, 16,728 units in 2007, and 15,623 units in 2008. In the January 2005 *Forecast* Idaho housing starts were projected at 17,634 units in 2005, 16,252 in 2006, 15,296 in 2007, and 13,968 in 2008. The stronger housing outlook has lifted the prospects for Idaho construction employment. Like housing starts, it was previously believed construction employment would run out of steam near the end of 2004 and show its first annual decline since 2002 in 2005. New data provided by the Idaho Department of Labor suggest the forecasted employment decline was premature. Instead of declining during the second half of 2004, Idaho construction employment actually expanded 0.8% in the third quarter and rose 5.4% in the fourth quarter. This late employment surge helped delay the next year-over-year construction employment loss a full year until 2006. Under the current forecast, Idaho's construction payroll will rise to over 40,000 jobs in 2005 then fall gradually to about 36,000 jobs in 2008. This is a marked change from the previous forecast where the number of Idaho construction jobs falls from about 38,000 jobs in 2005 to around 34,200 jobs in 2008.

Nongoods-Producing Industries:

Idaho's largest employment sector will also be one of its fastest growing sectors. The state's nongoods-producing sector is forecast to average 2.3% annual growth over the forecast period, which is faster than the 2.0% growth for total Idaho nonfarm jobs. The importance of the state's nongoods-producing sector cannot be overstated. Like its national counterpart, the nongoods-producing sector accounts for the lion's share of nonfarm Idaho jobs. Nongoods-producing employment accounts for eight of every ten nonfarm

jobs in Idaho. The two largest nongoods employers are services and trade that together represent three-fourths of nongoods-producing employment. The services category is the larger of the two categories. The three largest services components are: professional and business services; education and health services; and leisure and hospitality services. The next largest group consists of financial services; transportation, warehousing, and utilities; and other services. The smallest sector is information services. Overall, total service-related employment should advance about 3.1% annually. Professional and business services should be one of Idaho's strongest performers during the next few years. After experiencing a relatively anemic showing in 2003, professional and business services employment should expand an average of 3.9% per year through 2008. Education and health services employment should benefit from increased demand for health services caused by the aging population. Education and health services should grow 3.3% annually. Leisure and hospitality services employment is forecast to increase an average of 3.0% annually. Financial services employment growth is projected to average 2.6%, while transportation, warehousing, and utilities are expected to average 1.5% growth. Other services should advance 1.7% yearly. The number of information services jobs is predicted to increase 4.0% annually. The trade sector consists of its retail and wholesale components. The retail component accounted for over 73,000 jobs in 2004, which is roughly three times the size of the wholesale component. Retail trade should average 2.2% growth over the forecast period, while wholesale trade advances at a 2.5% yearly pace.



Government: Idaho government employment will grow much slower this decade than it did in the 1990s. From 1991 to 2000, the Idaho state and local employment payroll expanded an average of 3.0% per year, or by nearly 2,500 jobs annually. This strong growth resulted from state's exploding population. From 1990 to 2000, the state's population grew about twice as fast as the nation's. As had been the case through most of Idaho's history, the 1990's population surge resulted from new residents moving into the state and not due to the natural (births less deaths) population change. In fact, Idaho net

migration was higher than the natural increase in every year from 1991 to 2000. The main reason the Gem State proved to be so attractive to newcomers is because in the 1990s it was a haven of economic strength in a sea of economic turmoil. For example, Idaho's economy thrived during the 1990-91 recession while many states faltered. California was particularly in dire straits. Not only was the Golden State reeling from the 1990-91 national recession, but it was also suffering the impacts of defense industry consolidations and military base closures. This combination of factors created the worst downturn in California since the Great Depression. The influx of newcomers into Idaho stretched the state's existing infrastructure, and government employment grew as a result. Idaho state and local government employment was expected to slow considerably this decade as Idaho's population growth tapered down to 1.5% annual growth. Interestingly, U.S. Census Bureau estimates show Idaho's population has been growing slightly faster than anticipated this decade. In spite of this, the employment outlook for this sector remains virtually unchanged from the previous forecast. Idaho state and local government employment is expected to grow slowly over the next few years. Over this period, education-related employment should fare better than noneducation-related employment. Specifically, Idaho education employment should advance about one percent annually, producing about 1,900 new jobs from 2004 to 2008. Noneducation employment should remain flat over this period. Federal government employment is expected to be even weaker. While the prognosis for state and local noneducation government jobs is flat, the number of federal jobs in the Gem State is expected to shrink. Unlike state and local employment, the number of federal jobs in Idaho is set by factors beyond its borders. Federal budget writers in Washington, D.C. mainly determine federal employment in Idaho. This being the case, the return of federal deficits does not bode well for Idaho federal government employment. As a result, Federal government employment in Idaho is expected to decline from 13,261 in 2004 to 12,909 in 2008.

FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, each issue of the *Idaho Economic Forecast* uses Global Insight's most recent forecast of the U.S. economy. Additional data, such as company-specific expansions and/or contractions are also considered.

The following comparison table shows how the outlooks for several key Idaho and national economic series have changed from the January 2005 to the April 2005 *Idaho Economic Forecast*. The April 2005 *Idaho Forecast* is based on Global Insight's March 2005 baseline forecast and the January 2005 *Idaho Forecast* is driven by Global Insight's November 2004 baseline U.S. macroeconomic forecast.

A comparison of several key variables shows how the outlooks for the national and state economies have changed since the January 2005 *Idaho Economic Forecast* was published. A review of several macroeconomic variables shows the short-run outlook for the U.S. economy has improved since January. The forecasts for both nominal and real GDP are noticeably higher in every year compared to their previous forecasts. In fact, the gap between the nominal GDP forecasts widens over time. Specifically, nominal GDP goes from being 0.6% higher than its predecessor in 2005 to being 1.2% in 2008. However, higher inflation eats away most of this gain, so real GDP remains about 0.5% higher in each year. National personal income displays a similar pattern. Nominal personal income is 1.1% higher in 2005, 1.3% higher in 2006, 1.5% higher in 2007, and 1.6% higher in 2008. After accounting for inflation, however, personal income is around 1.1% above the previous predictions in each year. The improvements to personal income partially reflect higher forecasts of wage and salary payments, which reflect both stronger wage and nonfarm employment growth. The predicted U.S. annual average wage is \$299 higher in 2005 than previously forecast and is \$780 higher in 2008. There are 235,000 more jobs in 2005 compared to the previous forecast, and this gap peaks at 675,000 jobs in 2007. Unfortunately, not all sectors see a significant improvement. In fact, there are fewer jobs in both 2005 and 2006 in the long-suffering manufacturing sector.

The stronger national economic forecast improves the prospects for the Gem State's economy. As a result, Idaho nonfarm employment rises faster in the current forecast compared to the previous one. Specifically, the number of jobs expands 1.9% in 2005, 1.7% in 2006, 1.9% in 2007, and 1.7% in 2008. In the previous forecast this important measure of the state's economic health increases 1.6% this year, 1.8% next year, 1.8% in 2007, and 1.6% in 2008. The net result is that in 2008 Idaho nonfarm employment is about 2,300 (0.4%) higher than in the previous forecast. The state's huge nongoods-producing sector accounts for 1,650 of the improvement, while the remaining jobs gain is in the goods-producing sector. The stronger employment helps boost Idaho real personal income, which is \$413 million (1.1%) higher in 2008 than in the previous forecast.

**IDAHO ECONOMIC FORECAST
FORECASTS COMPARISON
DIFFERENCES BETWEEN
APRIL 2005 AND JANUARY 2005 FORECASTS**

	2000	2001	2002	2003	2004	2005	2006	2007	2008
GDP (BILLIONS)									
Current \$	0	0	0	0	7	77	104	149	175
% Difference	0.0%	0.0%	0.0%	0.0%	0.1%	0.6%	0.8%	1.1%	1.2%
2000 Chain-Weighted	0	0	0	0	5	60	67	62	48
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.6%	0.5%	0.4%
PERSONAL INCOME - CURR \$									
Idaho (Millions)	0	0	0	0	176	251	285	471	666
% Difference	0.0%	0.0%	0.0%	0.0%	0.5%	0.6%	0.7%	1.1%	1.5%
U.S. (Billions)	0	0	0	0	33	115	135	167	195
% Difference	0.0%	0.0%	0.0%	0.0%	0.3%	1.1%	1.3%	1.5%	1.6%
PERSONAL INCOME - 2000 \$									
Idaho (Millions)	0	0	0	0	153	229	199	307	413
% Difference	0.0%	0.0%	0.0%	0.0%	0.4%	0.6%	0.5%	0.8%	1.1%
U.S. (Billions)	0	0	0	0	28	104	106	119	126
% Difference	0.0%	0.0%	0.0%	0.0%	0.3%	1.1%	1.1%	1.2%	1.2%
TOTAL NONFARM EMPLOYMENT									
Idaho	-2	-1	0	4	-203	1,169	783	1,448	2,347
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%	0.2%	0.4%
U.S. (Thousands)	1	-5	3	62	180	235	571	675	525
% Difference	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.4%	0.5%	0.4%
GOODS PRODUCING SECTOR									
Idaho	2	2	2	0	368	1,325	636	614	697
% Difference	0.0%	0.0%	0.0%	0.0%	0.4%	1.3%	0.6%	0.6%	0.7%
U.S. (Thousands)	0	-2	-1	-5	5	22	156	262	245
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.7%	1.2%	1.1%
NONGOODS PRODUCING SECTOR									
Idaho	-4	-2	-1	4	-571	-157	147	833	1,650
% Difference	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%	0.0%	0.2%	0.3%
U.S. (Thousands)	1	-3	4	67	175	213	415	413	280
% Difference	0.0%	0.0%	0.0%	0.1%	0.2%	0.2%	0.4%	0.4%	0.2%
FINANCIAL MARKETS									
Federal Funds Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.6%	0.7%	0.6%
Bank Prime Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.6%	0.7%	0.6%
Mort Rate, Existing Homes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%	-0.1%
INFLATION									
GDP Price Deflator	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.7	1.0
Personal Cons Deflator	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.5
Consumer Price Index	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Forecast Begins the FOURTH Quarter of 2004

ALTERNATIVE FORECASTS

Global Insight has assigned a 60% probability of occurrence to its March 2005 baseline forecast of the U.S. economy. The major features of this forecast include:

- Real GDP increases 4.4% in 2004, 3.7% in 2005, 3.1% in 2006, 3.1% in 2007, and 3.0% in 2008;
- U.S. nonfarm employment grows 1.1% in 2004, 1.7% in 2005, 1.4% in 2006, 0.9% 2007, and 0.7% in 2008;
- the U.S. civilian unemployment rate falls from 5.5% this year to 5.2% next year and hovers near that level in the remaining years of the forecast;
- consumer inflation is 2.7% in 2004, 2.2% in 2005, 1.7% in 2006, 1.9% in 2007, and 2.1% in 2008; and
- the federal unified budget deficit peaks at \$412 billion in 2004 then gradually declines to \$293 billion in 2008.

OPTIMISTIC SCENARIO

The *Optimistic Scenario* has been assigned a 20% probability of occurrence. Six assumptions distinguish the *Optimistic Scenario* from the *Baseline Scenario*. First, total factor productivity is stronger. It is the economic equivalent of a miracle pill. It makes economic headaches such as inflation, budget deficits, and sluggish growth disappear. Second, foreign economic growth is stronger, which boosts U.S. exports and strengthens domestic manufacturing. Third, business investment is higher. Fourth, the federal government budget deficit is lower thanks to higher tax revenues and lower federal transfer payments. Fifth, housing starts are stronger in this alternative forecast. Sixth, oil prices are assumed to be about \$5/barrel lower than in the *Baseline Scenario*.

These assumptions produce a rosier outlook than in the baseline. The economy grows 0.7 basis point faster than in the baseline in 2005 and 0.8 point faster in 2008. Specifically, real GDP advances a healthy 4.1% in 2005, 4.0% in 2006, 3.5% in 2007, and 3.1% in 2008. In the *Baseline Scenario*, real GDP is projected to rise 3.7% this year and about 3% in each of the remaining years of the forecast horizon. Job growth is also stronger. Nonfarm employment is 570,00 higher than in the baseline at the end of this year and nearly 1.3 million higher at the end of next year. The unemployment rate falls below its baseline counterpart during the forecast period. Despite the stronger growth, inflation remains in check thanks to the healthy productivity gains. The lower inflation rate helps keep the federal funds rate below the baseline value.

The Idaho economic outlook improves slightly under the assumptions of the *Optimistic Scenario*. For example, there are just 45 more jobs than in the baseline in 2004. This gap widens over time, so that there are about 450 more jobs in 2008. All of the improvement is in the nongoods-producing sector. In fact, the goods-producing sector actually grows slower in the *Optimistic Scenario*. As a result, there are fewer goods-producing jobs in Idaho even though the U.S. economy grows faster than in the baseline case. Idaho personal income displays a similar pattern. Nominal Idaho personal income expands noticeably slower than its baseline counterpart, causing it to be \$560 billion lower than in the baseline. Adjusting for inflation narrows the income differences between the *Optimistic* and *Baseline* forecasts, so by 2008 the gap is just \$34 million.

IDAHO ECONOMIC FORECAST
BASELINE AND ALTERNATIVE FORECASTS
APRIL 2005

	BASELINE				OPTIMISTIC				PESSIMISTIC			
	2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008
GDP (BILLIONS)												
Current \$	12,430	13,052	13,733	14,450	12,465	13,169	13,887	14,604	12,421	12,988	13,645	14,459
% Ch	5.9%	5.0%	5.2%	5.2%	6.2%	5.7%	5.4%	5.2%	5.9%	4.6%	5.1%	6.0%
2000 Chain-Weighted	11,247	11,591	11,946	12,302	11,282	11,730	12,146	12,525	11,227	11,449	11,701	12,020
% Ch	3.7%	3.1%	3.1%	3.0%	4.1%	4.0%	3.5%	3.1%	3.6%	2.0%	2.2%	2.7%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	39,169	41,326	43,610	46,124	39,070	41,027	43,188	45,564	39,244	41,760	44,577	47,824
% Ch	5.3%	5.5%	5.5%	5.8%	5.0%	5.0%	5.3%	5.5%	5.5%	6.4%	6.7%	7.3%
U.S. (Billions)	10,224	10,792	11,376	12,021	10,237	10,848	11,460	12,103	10,226	10,794	11,407	12,144
% Ch	5.7%	5.6%	5.4%	5.7%	5.8%	6.0%	5.6%	5.6%	5.7%	5.6%	5.7%	6.5%
PERSONAL INCOME - 2000 \$												
Idaho (Millions)	35,659	36,987	38,255	39,578	35,643	36,953	38,238	39,544	35,578	36,798	38,154	39,701
% Ch	3.4%	3.7%	3.4%	3.5%	3.3%	3.7%	3.5%	3.4%	3.1%	3.4%	3.7%	4.1%
U.S. (Billions)	9,308	9,658	9,979	10,315	9,338	9,771	10,146	10,504	9,271	9,511	9,764	10,081
% Ch	3.8%	3.8%	3.3%	3.4%	4.1%	4.6%	3.8%	3.5%	3.4%	2.6%	2.7%	3.3%
TOTAL NONFARM EMPLOYMENT												
Idaho	597,852	608,257	619,598	630,439	597,897	609,087	620,385	630,886	597,498	605,799	616,019	627,832
% Ch	1.9%	1.7%	1.9%	1.7%	1.9%	1.9%	1.9%	1.7%	1.8%	1.4%	1.7%	1.9%
U.S. (Thousands)	133,736	135,629	136,875	137,821	133,958	136,668	138,379	139,320	133,656	134,872	135,344	136,304
% Ch	1.7%	1.4%	0.9%	0.7%	1.9%	2.0%	1.3%	0.7%	1.7%	0.9%	0.4%	0.7%
GOODS-PRODUCING SECTOR												
Idaho	105,930	104,273	103,513	102,872	106,043	105,111	103,873	102,414	105,910	103,250	102,014	102,142
% Ch	0.8%	-1.6%	-0.7%	-0.6%	0.9%	-0.9%	-1.2%	-1.4%	0.8%	-2.5%	-1.2%	0.1%
U.S. (Thousands)	22,157	22,330	22,381	22,351	22,216	22,651	22,908	22,842	22,150	22,196	21,967	21,761
% Ch	1.3%	0.8%	0.2%	-0.1%	1.5%	2.0%	1.1%	-0.3%	1.2%	0.2%	-1.0%	-0.9%
NONGOODS-PRODUCING SECTOR												
Idaho	491,922	503,984	516,085	527,567	491,854	503,976	516,512	528,472	491,589	502,549	514,005	525,690
% Ch	2.1%	2.5%	2.4%	2.2%	2.1%	2.5%	2.5%	2.3%	2.0%	2.2%	2.3%	2.3%
U.S. (Thousands)	111,579	113,299	114,493	115,470	111,743	114,017	115,471	116,479	111,506	112,676	113,378	114,543
% Ch	1.8%	1.5%	1.1%	0.9%	2.0%	2.0%	1.3%	0.9%	1.7%	1.0%	0.6%	1.0%
SELECTED INTEREST RATES												
Federal Funds	3.2%	4.0%	4.3%	4.5%	2.9%	3.5%	3.7%	4.0%	3.4%	5.4%	6.9%	6.8%
Bank Prime	6.2%	7.0%	7.3%	7.5%	5.9%	6.5%	6.7%	7.0%	6.4%	8.4%	9.9%	9.8%
Existing Home Mortgage	6.2%	6.5%	6.7%	7.1%	6.1%	6.1%	6.2%	6.7%	6.7%	8.3%	8.2%	8.0%
INFLATION												
GDP Price Deflator	2.1%	1.9%	2.1%	2.2%	2.0%	1.6%	1.8%	2.0%	2.2%	2.5%	2.8%	3.1%
Personal Cons Deflator	1.9%	1.7%	2.0%	2.2%	2.0%	1.6%	1.8%	2.0%	2.3%	2.9%	3.0%	3.1%
Consumer Price Index	2.2%	1.7%	1.9%	2.1%	2.0%	1.2%	1.7%	1.9%	2.6%	2.7%	2.7%	2.9%

Forecast Begins the FOURTH Quarter of 2004

PESSIMISTIC SCENARIO

The *Pessimistic Scenario* has also been assigned 20% probability of occurrence. A significant feature of the *Pessimistic Scenario* is the re-emergence of inflation. The pickup of inflation reflects higher oil prices, a weaker dollar, two-and-one half years of accommodative monetary policy, and loose fiscal policy. This *Scenario* assumes there is less spare capacity in both the global and U.S. economies than had been previously believed. This is because rapid technological advances and higher oil prices may have rendered current idle capacity obsolete. It is also assumed the U.S. dollar will rapidly weaken as the swelling U.S. trade deficit scares off foreign investors. The flight from greenback-valued investments puts upward pressure on domestic interest rates. In addition, the falling dollar fuels inflation fires. By the end of this year core inflation (overall inflation less food and energy) is over 3%.

The Federal Reserve responds to the higher inflation by accelerating its tightening. By the end of 2005, its federal funds rate is 4.5%, which are 50 basis points higher than its baseline counterpart. Despite the aggressive tightening, the stock and bond markets both slip on signs the central bank may have let inflation build up too much momentum. The Federal Reserve continues battling inflation by tightening further. By the end of 2007, the federal funds rate is at 7.25% and the U.S. unemployment rate is 5.9%. Despite the rising interest rates, the economy does not sink into a recession. Instead, it fails to grow at its full potential.

The weaker U.S. economy has a mixed impact on the Idaho economy. First, Idaho employment is clearly hurt. Both the goods- and nongoods-producing sectors turn in sub-par growth. As a result, Idaho nonfarm employment is about 2,600 below its baseline counterpart in 2008. On the other hand, the higher inflation actually helps Idaho personal income. For example, Idaho nominal personal income grows faster in each year of the forecast and is \$1.7 billion higher in 2008. However, most of this gain disappears when Idaho personal income is adjusted for inflation. Specifically, in the forecast's terminal year nominal Idaho nominal personal income is just \$123 million above the baseline amount.

Productivity and Inflation

Janet L. Yellen¹

Several recent developments have raised concerns about a productivity slowdown in the U.S. that could slow economic growth and boost inflation. For example, after soaring at the astounding rate of nearly 4-1/2% in 2002, 2003, and the first half of 2004, nonfarm labor productivity growth slowed to around 1-3/4% in the third quarter of last year and to only 3/4% in the fourth quarter. Moreover, during the last year, quality-adjusted computer prices haven't fallen as fast as they have for the past decade, which may signal some slowing of technological innovation in this sector. In addition, there is some industry opinion that the pace of software development is beginning to slow.

Though these developments give us ample reason to think seriously about what the future may hold for productivity growth, they should be viewed in perspective. For one thing, productivity growth rates are extremely volatile over periods as short as a few quarters, so we shouldn't make too much of the very recent data. More importantly, few economists expect the economy to continue to deliver rates as high as 4-1/2%. Rather, there's some consensus that the *trend* growth rate of U.S. productivity is probably around 2-1/2%. That is still a high number—nearly double what it had been during the quarter century before 1995—with the potential to enhance living standards dramatically if it is maintained in the decades ahead.

Why would a slowdown from the current trend rate likely boost inflation?

In theory, slower growth in trend productivity would have two counteracting effects. First, it likely would raise business costs for a time, because firms would face more rapid growth of unit labor costs. To offset the resulting squeeze on profit margins, firms would need to raise prices more rapidly. Eventually, increases in unit labor costs are likely to fall back toward previous slower rates as workers are forced to accept lower wage growth to compensate for their slower productivity growth. But during the adjustment period—which can last for a considerable period—there is upward pressure on inflation.

At the same time, slower growth in trend productivity would likely result in slower growth in aggregate demand, which might offset some of the upward pressure on inflation. Growth in consumer spending would probably weaken as lower business profits limit stock market gains, thereby reducing household wealth. More foresighted consumers might also reduce spending, perceiving that the prospects for growth in real wages are not as bright. Further, lower expected rates of productivity growth should restrain business investment by reducing the prospective return to capital.

The net impact of the two opposing effects of productivity growth on inflation is an empirical issue. My reading of the evidence suggests that the predominant medium-term

¹ *This Economic Letter is adapted from remarks by Janet L. Yellen, President and CEO of the Federal Reserve Bank of San Francisco, delivered at the Economic Summit at the Stanford Institute for Economic Policy Research on February 11, 2005.*

effect of a slowdown in trend productivity growth would likely be *higher* inflation. This makes sense to me, as it would seem to be the counterpart to the reductions in inflation that occurred over the past decade, when rapid productivity growth aided the Fed in bringing inflation toward price stability.

So a key issue for inflation going forward is whether the trend growth rate of productivity will remain near its estimated rate of around 2-1/2%. If so, core inflation seems likely to remain stable, near its current moderate pace. If productivity accelerates or decelerates, we could see inflation start to fall or rise relative to the 1-1/2 to 2% rate that prevails today. My own view is that the risks surrounding the outlook for productivity are roughly balanced.

Prospects for productivity

To explain why I hold this view, let me start with a brief look at the sources of productivity growth since the surge began in the mid-1990s. There are three basic factors to consider. First is capital deepening—in particular, the pace at which the quantity of capital per worker rises over time. Second is improved labor quality, or human capital—that is, a better educated or more skilled workforce. Third is "multifactor productivity," or MFP, which essentially stands for all the gains in productivity that are not accounted for by either capital deepening or improved labor quality. It captures, more or less, the productivity gains that ultimately stem from innovation. For example, it would include not only the engineering and scientific knowledge that goes into new technology, but also improved management processes, such as "just-in-time" inventory management, as well as "creative destruction," whereby innovative firms expand market share at the expense of less innovative firms.

Oliner and Sichel (unpublished updates of 2002) analyzed U.S. productivity, looking at the period from 1996 to 2001, when productivity rose to nearly 2-1/2% a year, as well as the period from 2002 to 2004, when labor productivity rose at an annual rate of almost 4-1/4%. They found that the initial mid-1990s acceleration in labor productivity reflected in about equal parts an increased contribution of capital deepening and an increase in MFP, with little, if any, change in the contribution from worker skill improvements. But the results for the period from 2002 to 2004 were noticeably different. This period, of course, was the worst of the "investment bust," when business investment actually receded. The study's results suggest that, over those years, a further acceleration in MFP accounted for more than all of the acceleration in labor productivity.

Some recent studies suggest that the explanation of the strength of MFP growth lies in information technology (IT), where the pace of technological innovation is clearly quite rapid. But IT's role in the last few years appears to be different from its role in the late 1990s. In that period, studies tend to find that MFP gains in the *production* of IT contributed substantially to the overall pickup (e.g., Jorgenson and Stiroh 2000 and Oliner and Sichel 2000; but see also Basu et al. 2001). In addition, firms invested heavily in new (and steadily cheaper) IT, boosting capital deepening in industries that used IT intensively.

But for the more recent period, studies tend to find that the MFP acceleration is more broad-based across industries that *use* technology—not confined to the IT-producing sector (e.g., Oliner and Sichel, updates of 2002 and Jorgenson et al., 2004). Sectors that *produce* IT, especially semiconductors, have actually contributed somewhat less to MFP growth in the 2000s relative to the late 1990s.

A mechanism that may explain the continued rise in MFP in sectors that use IT is that firms are learning new and better ways to use the technology they already have in place to become more productive. Indeed, some evidence suggests that the extraordinarily high rates of investment in high-tech equipment during the second half of the 1990s actually *reduced* measured productivity growth over that period (Basu et al. 2001). The reason is that firms had to divert resources from current production and use them instead for installing the new capital and learning how to use it. If firms continue to increase their proficiency in using the technology they already have, this could help keep productivity growing at a robust pace.

Moreover, a fundamental way that IT enhances productivity is by allowing firms to reorganize workplace operations, a process that takes time. For example, consider Wal-Mart and other "big-box" stores, whose new approaches to workplace organization have dramatically affected retail and wholesale productivity. According to Sam Walton, he benefited in the 1980s and 1990s from knowledge he gained in the 1960s and 1970s, when he flew around the country visiting competing discount stores and attending IBM conferences (Walton and Huey 1992).

Formal studies (e.g., Brynjolfsson and Hitt 2000, David and Wright 2004, Bresnahan and Trajtenberg 1995, and Helpman and Trajtenberg 1998) that look at IT as a "general purpose technology"—that is, one with broad applicability across the economy—also suggest that it can take time to reap the benefits of technology, since firms have to make substantial complementary investments in learning, reorganization, and the like. For example, Brynjolfsson and Hitt (2003) look at a sample of 527 large U.S. firms from 1987 to 1994. They find that the benefits of computers for output and productivity rise over time and can take at least five to seven years to be fully realized. Basu et al. (2003) find that industries with faster growth of IT capital in the 1980s or early 1990s had faster MFP growth rates in the late 1990s, suggesting that firms in those industries were undertaking unobserved investments in organizational capital, which then paid off after a long lag in terms of measured productivity. More generally, innovations in IT appear to have led to co-invention and co-investment in other sectors, such as retail trade.

Other studies in this literature find additional reasons for a lag between the acquisition of new technology and the payoff in terms of output and productivity. For example, the benefits of IT used by one firm, such as successful new managerial ideas, are often adapted and adopted by other firms, a process that takes time (for a discussion, see, for example, Bresnahan, undated). For the latter firms, it may be easier and cheaper to innovate by watching what other firms are doing, rather than inventing some new organizational change themselves, because they learn by analyzing the experimentation, the successes and, importantly, the mistakes of others.

These analyses make me fairly optimistic about productivity growth going forward. It seems unlikely that the business learning and reorganization that we hear about and that the academic literature emphasizes has suddenly disappeared. My sense is that businesses are still learning what new technologies can do for them.

Monetary policy

We know that with the federal funds rate at 2-1/2%—only about 1% or a bit less above the inflation rate—the current policy stance remains accommodative. Over time, the degree of accommodation will have to diminish, with policy reverting toward so-called "neutral" for inflation to remain well contained. It's uncertain exactly what the neutral range is, but a common estimate is 3-5%. The FOMC has stated for some time that, with underlying inflation remaining low, policy accommodation can be removed at a pace that is likely to be measured. In fact, the Committee raised the rate by 25 basis points at each of the last six meetings. However, it should be obvious that the closer the actual rate gets to the neutral range, the more carefully the Committee will need to consider each successive increase. In other words, the pace of removing policy accommodation must, in reality, depend on how economic activity and inflation actually develop. Moreover, these developments themselves could affect the Committee's judgment concerning the momentum in aggregate demand or supply and thus the real federal funds rate corresponding to a neutral policy stance.

If the pace of economic activity accelerates and labor market slack erodes more quickly than expected—or if some of the upside risks to inflation materialize—it would probably be appropriate to remove accommodation more rapidly. If, alternatively, the expansion falters or we experience some of the downside inflation risks, there are likely to be more opportunities for the Committee to pause. Of course, the Committee could be confronted with more difficult choices if output growth and inflation moved in opposite directions. In any event, risks to both growth and inflation abound. However, I agree with the Committee's judgment, reiterated in its February 2 statement, that the upside and downside risks are currently balanced.

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IDAHO ECONOMIC FORECAST

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Reporting Conventions

Units of measurement are presented in the individual reports.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

Data Sources

National forecast data is provided by Global Insight, as well as the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data is obtained from the Department of Commerce and Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Commerce and Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
APRIL 2005**

DEMOGRAPHICS

	1991	1992	1993	1994	1995	1996	1997	1998	1999
POPULATION									
Idaho (Thousands)	1,041.2	1,072.1	1,108.6	1,144.9	1,177.0	1,203.2	1,228.4	1,252.3	1,275.7
% Ch	2.8%	3.0%	3.4%	3.3%	2.8%	2.2%	2.1%	1.9%	1.9%
National (Millions)	253.946	257.357	260.688	263.853	266.980	270.115	273.368	276.553	279.731
% Ch	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%
BIRTHS									
Idaho (Thousands)	16.741	17.197	17.575	17.690	17.915	18.482	18.599	19.188	19.897
% Ch	1.9%	2.7%	2.2%	0.7%	1.3%	3.2%	0.6%	3.2%	3.7%
National (Thousands)	4,110	4,038	3,997	3,964	3,935	3,911	3,892	3,880	3,874
% Ch	-1.2%	-1.8%	-1.0%	-0.8%	-0.7%	-0.6%	-0.5%	-0.3%	-0.2%
DEATHS									
Idaho (Thousands)	7.644	7.887	8.277	8.478	8.553	8.679	8.953	9.105	9.488
% Ch	3.9%	3.2%	4.9%	2.4%	0.9%	1.5%	3.2%	1.7%	4.2%
National (Thousands)	2,163	2,210	2,237	2,264	2,291	2,318	2,345	2,372	2,399
% Ch	0.0%	2.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%
NET MIGRATION									
Idaho (Thousands)	19.017	21.659	27.168	27.115	22.652	16.417	15.583	13.836	12.975
HOUSING									
HOUSING STARTS									
Idaho	6,600	9,584	11,457	12,766	9,360	9,220	8,862	10,110	10,337
% Ch	13.2%	45.2%	19.5%	11.4%	-26.7%	-1.5%	-3.9%	14.1%	2.2%
National (Millions)	1.009	1.201	1.292	1.446	1.361	1.469	1.475	1.621	1.647
% Ch	-16.2%	19.1%	7.5%	12.0%	-5.9%	7.9%	0.4%	9.9%	1.6%
SINGLE UNITS									
Idaho	5,662	7,900	8,939	9,420	7,280	7,849	7,658	9,040	9,188
% Ch	18.3%	39.5%	13.1%	5.4%	-22.7%	7.8%	-2.4%	18.1%	1.6%
National (Millions)	0.835	1.032	1.131	1.191	1.082	1.154	1.136	1.278	1.306
% Ch	-7.3%	23.6%	9.6%	5.4%	-9.2%	6.7%	-1.6%	12.4%	2.2%
MULTIPLE UNITS									
Idaho	938	1,684	2,518	3,346	2,080	1,371	1,205	1,070	1,149
% Ch	-10.3%	79.6%	49.5%	32.9%	-37.8%	-34.1%	-12.1%	-11.2%	7.4%
National (Millions)	0.174	0.170	0.161	0.255	0.279	0.314	0.338	0.344	0.341
% Ch	-42.6%	-2.4%	-5.1%	58.3%	9.4%	12.7%	7.6%	1.6%	-0.7%
HOUSING STOCK									
Idaho (Thousands)	339.8	347.4	356.9	368.7	377.8	386.2	393.7	402.3	411.3
% Ch	1.5%	2.2%	2.7%	3.3%	2.4%	2.2%	1.9%	2.2%	2.2%

National Variables Forecast by Global Insight
Forecast Begins the FOURTH Quarter of 2004

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
APRIL 2005**

DEMOGRAPHICS

	2000	2001	2002	2003	2004	2005	2006	2007	2008
POPULATION									
Idaho (Thousands)	1,299.1	1,320.7	1,342.0	1,365.5	1,391.0	1,415.0	1,436.4	1,457.7	1,477.7
% Ch	1.8%	1.7%	1.6%	1.8%	1.9%	1.7%	1.5%	1.5%	1.4%
National (Millions)	282.795	285.721	288.599	291.388	294.098	296.793	299.478	302.146	304.787
% Ch	1.1%	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%
BIRTHS									
Idaho (Thousands)	20.304	20.684	21.002	21.735	22.133	22.577	22.925	23.268	23.564
% Ch	2.0%	1.9%	1.5%	3.5%	1.8%	2.0%	1.5%	1.5%	1.3%
National (Thousands)	3,872	3,876	3,885	3,901	3,925	3,955	3,991	4,033	4,077
% Ch	-0.1%	0.1%	0.2%	0.4%	0.6%	0.8%	0.9%	1.0%	1.1%
DEATHS									
Idaho (Thousands)	9.538	9.811	9.935	10.308	10.614	10.792	10.955	11.116	11.271
% Ch	0.5%	2.9%	1.3%	3.8%	3.0%	1.7%	1.5%	1.5%	1.4%
National (Thousands)	2,424	2,446	2,467	2,487	2,507	2,528	2,548	2,569	2,590
% Ch	1.0%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
NET MIGRATION									
Idaho (Thousands)	12.658	10.645	10.247	12.077	14.000	12.192	9.470	9.139	7.748
HOUSING									
HOUSING STARTS									
Idaho	11,515	12,233	13,142	16,293	18,476	18,778	17,433	16,728	15,623
% Ch	11.4%	6.2%	7.4%	24.0%	13.4%	1.6%	-7.2%	-4.0%	-6.6%
National (Millions)	1.573	1.601	1.710	1.853	1.952	1.884	1.726	1.713	1.683
% Ch	-4.5%	1.8%	6.8%	8.3%	5.4%	-3.5%	-8.4%	-0.8%	-1.7%
SINGLE UNITS									
Idaho	10,368	10,417	11,123	13,838	16,070	16,849	15,680	14,920	13,916
% Ch	12.8%	0.5%	6.8%	24.4%	16.1%	4.8%	-6.9%	-4.8%	-6.7%
National (Millions)	1.232	1.272	1.363	1.505	1.605	1.536	1.414	1.390	1.360
% Ch	-5.7%	3.2%	7.2%	10.4%	6.7%	-4.3%	-7.9%	-1.7%	-2.2%
MULTIPLE UNITS									
Idaho	1,147	1,816	2,019	2,456	2,406	1,929	1,753	1,808	1,707
% Ch	-0.1%	58.3%	11.2%	21.6%	-2.0%	-19.8%	-9.1%	3.1%	-5.6%
National (Millions)	0.341	0.330	0.347	0.348	0.348	0.348	0.312	0.323	0.323
% Ch	0.1%	-3.5%	5.3%	0.3%	0.0%	0.0%	-10.4%	3.5%	0.0%
HOUSING STOCK									
Idaho (Thousands)	421.2	432.1	442.9	456.9	473.0	490.8	507.0	522.5	537.0
% Ch	2.4%	2.6%	2.5%	3.2%	3.5%	3.8%	3.3%	3.1%	2.8%

National Variables Forecast by Global Insight
Forecast Begins the FOURTH Quarter of 2004

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
APRIL 2005**

OUTPUT, INCOME, & WAGES

	1991	1992	1993	1994	1995	1996	1997	1998	1999
GROSS DOM. PRODUCT (Billions)									
Current Dollars	5,996	6,338	6,657	7,072	7,398	7,817	8,304	8,747	9,268
% Ch	3.3%	5.7%	5.0%	6.2%	4.6%	5.7%	6.2%	5.3%	6.0%
2000 Chain-Weighted	7,101	7,337	7,533	7,835	8,032	8,329	8,704	9,067	9,470
% Ch	-0.2%	3.3%	2.7%	4.0%	2.5%	3.7%	4.5%	4.2%	4.4%
 PERSONAL INCOME - CURR \$									
Idaho (Millions)	16,692	18,318	20,072	21,422	22,871	24,360	25,367	27,287	29,068
% Ch	4.9%	9.7%	9.6%	6.7%	6.8%	6.5%	4.1%	7.6%	6.5%
Idaho Nonfarm (Millions)	15,902	17,488	19,023	20,699	22,073	23,448	24,628	26,371	28,075
% Ch	6.3%	10.0%	8.8%	8.8%	6.6%	6.2%	5.0%	7.1%	6.5%
National (Billions)	5,051	5,362	5,559	5,843	6,152	6,521	6,915	7,423	7,802
% Ch	3.5%	6.2%	3.7%	5.1%	5.3%	6.0%	6.1%	7.3%	5.1%
 PERSONAL INCOME - 2000 \$									
Idaho (Millions)	20,009	21,342	22,858	23,892	24,973	26,040	26,666	28,429	29,788
% Ch	1.2%	6.7%	7.1%	4.5%	4.5%	4.3%	2.4%	6.6%	4.8%
Idaho Nonfarm (Millions)	19,061	20,374	21,664	23,084	24,102	25,064	25,890	27,475	28,770
% Ch	2.6%	6.9%	6.3%	6.6%	4.4%	4.0%	3.3%	6.1%	4.7%
National (Billions)	6,055	6,247	6,330	6,516	6,718	6,970	7,269	7,734	7,996
% Ch	-0.1%	3.2%	1.3%	2.9%	3.1%	3.8%	4.3%	6.4%	3.4%
 PER CAPITA PERS INC - CURR \$									
Idaho	16,031	17,084	18,103	18,708	19,431	20,246	20,649	21,788	22,784
% Ch	2.0%	6.6%	6.0%	3.3%	3.9%	4.2%	2.0%	5.5%	4.6%
National	19,889	20,834	21,322	22,142	23,043	24,139	25,295	26,840	27,891
% Ch	2.2%	4.7%	2.3%	3.8%	4.1%	4.8%	4.8%	6.1%	3.9%
 PER CAPITA PERS INC - 2000 \$									
Idaho	19,217	19,905	20,617	20,866	21,218	21,642	21,707	22,700	23,349
% Ch	-1.6%	3.6%	3.6%	1.2%	1.7%	2.0%	0.3%	4.6%	2.9%
National	23,842	24,274	24,282	24,695	25,163	25,803	26,591	27,964	28,584
% Ch	-1.4%	1.8%	0.0%	1.7%	1.9%	2.5%	3.1%	5.2%	2.2%
 AVERAGE ANNUAL WAGE									
Idaho	20,748	21,613	22,051	22,728	23,594	24,147	24,803	25,822	26,992
% Ch	#DIV/0!	4.2%	2.0%	3.1%	3.8%	2.3%	2.7%	4.1%	4.5%
National	26,047	27,410	27,807	28,279	29,148	30,237	31,582	33,219	34,622
% Ch	3.6%	5.2%	1.4%	1.7%	3.1%	3.7%	4.5%	5.2%	4.2%

National Variables Forecast by Global Insight
Forecast Begins the FOURTH Quarter of 2004

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
APRIL 2005**

OUTPUT, INCOME, & WAGES

	2000	2001	2002	2003	2004	2005	2006	2007	2008
GROSS DOM. PRODUCT (Billions)									
Current Dollars	9,817	10,128	10,487	11,004	11,733	12,430	13,052	13,733	14,450
% Ch	5.9%	3.2%	3.5%	4.9%	6.6%	5.9%	5.0%	5.2%	5.2%
2000 Chain-Weighted	9,817	9,891	10,075	10,381	10,842	11,247	11,591	11,946	12,302
% Ch	3.7%	0.8%	1.9%	3.0%	4.4%	3.7%	3.1%	3.1%	3.0%
PERSONAL INCOME - CURR \$									
Idaho (Millions)	31,290	33,091	33,963	34,955	37,195	39,169	41,326	43,610	46,124
% Ch	7.6%	5.8%	2.6%	2.9%	6.4%	5.3%	5.5%	5.5%	5.8%
Idaho Nonfarm (Millions)	30,474	32,095	33,011	34,030	36,217	38,183	40,274	42,503	45,010
% Ch	8.5%	5.3%	2.9%	3.1%	6.4%	5.4%	5.5%	5.5%	5.9%
National (Billions)	8,430	8,724	8,879	9,162	9,671	10,224	10,792	11,376	12,021
% Ch	8.0%	3.5%	1.8%	3.2%	5.6%	5.7%	5.6%	5.4%	5.7%
PERSONAL INCOME - 2000 \$									
Idaho (Millions)	31,289	32,411	32,800	33,128	34,495	35,659	36,987	38,255	39,578
% Ch	5.0%	3.6%	1.2%	1.0%	4.1%	3.4%	3.7%	3.4%	3.5%
Idaho Nonfarm (Millions)	30,473	31,436	31,880	32,251	33,589	34,762	36,045	37,284	38,621
% Ch	5.9%	3.2%	1.4%	1.2%	4.1%	3.5%	3.7%	3.4%	3.6%
National (Billions)	8,429	8,545	8,575	8,683	8,969	9,308	9,658	9,979	10,315
% Ch	5.4%	1.4%	0.3%	1.3%	3.3%	3.8%	3.8%	3.3%	3.4%
PER CAPITA PERS INC - CURR \$									
Idaho	24,084	25,056	25,309	25,598	26,738	27,681	28,770	29,916	31,212
% Ch	5.7%	4.0%	1.0%	1.1%	4.5%	3.5%	3.9%	4.0%	4.3%
National	29,807	30,534	30,765	31,441	32,883	34,447	36,033	37,651	39,440
% Ch	6.9%	2.4%	0.8%	2.2%	4.6%	4.8%	4.6%	4.5%	4.8%
PER CAPITA PERS INC - 2000 \$									
Idaho	24,084	24,542	24,443	24,260	24,798	25,201	25,749	26,243	26,782
% Ch	3.1%	1.9%	-0.4%	-0.7%	2.2%	1.6%	2.2%	1.9%	2.1%
National	29,807	29,908	29,712	29,798	30,497	31,360	32,250	33,028	33,842
% Ch	4.3%	0.3%	-0.7%	0.3%	2.3%	2.8%	2.8%	2.4%	2.5%
AVERAGE ANNUAL WAGE									
Idaho	28,657	28,739	29,172	29,687	30,771	31,939	33,237	34,569	35,978
% Ch	6.2%	0.3%	1.5%	1.8%	3.7%	3.8%	4.1%	4.0%	4.1%
National	36,642	37,493	38,177	39,258	40,736	42,426	44,260	46,304	48,464
% Ch	5.8%	2.3%	1.8%	2.8%	3.8%	4.1%	4.3%	4.6%	4.7%

National Variables Forecast by Global Insight
Forecast Begins the FOURTH Quarter of 2004

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
APRIL 2005**

PERSONAL INCOME--CURRENT \$\$

	1991	1992	1993	1994	1995	1996	1997	1998	1999
WAGE AND SALARY PAYMENTS									
Idaho (Millions)	8,525	9,295	9,979	10,896	11,701	12,284	13,078	13,936	15,024
% Ch	7.0%	9.0%	7.4%	9.2%	7.4%	5.0%	6.5%	6.6%	7.8%
National (Billions)	2,823	2,980	3,083	3,232	3,419	3,620	3,878	4,183	4,466
% Ch	2.5%	5.6%	3.4%	4.8%	5.8%	5.9%	7.1%	7.9%	6.8%
FARM PROPRIETORS INCOME									
Idaho (Millions)	603	642	836	453	515	643	425	607	690
% Ch	-21.9%	6.5%	30.2%	-45.8%	13.6%	25.0%	-33.9%	42.8%	13.7%
National (Billions)	27	35	31	34	23	37	34	29	29
% Ch	-16.1%	29.0%	-9.5%	8.7%	-33.2%	64.5%	-8.3%	-14.1%	-2.6%
NONFARM PROPRIETORS INCOME									
Idaho (Millions)	1,458	1,769	2,087	2,312	2,229	2,324	2,313	2,480	2,765
% Ch	-4.4%	21.3%	18.0%	10.8%	-3.6%	4.2%	-0.5%	7.2%	11.5%
National (Billions)	350	393	423	439	469	506	542	598	650
% Ch	0.5%	12.2%	7.5%	4.0%	6.8%	7.8%	7.1%	10.4%	8.6%
DIVIDENDS, RENT & INTEREST									
Idaho (Millions)	3,210	3,340	3,568	3,957	4,350	4,718	5,068	5,545	5,546
% Ch	4.6%	4.1%	6.8%	10.9%	9.9%	8.5%	7.4%	9.4%	0.0%
National (Billions)	992	989	997	1,070	1,139	1,221	1,310	1,421	1,412
% Ch	1.8%	-0.3%	0.9%	7.3%	6.4%	7.2%	7.3%	8.4%	-0.6%
OTHER LABOR INCOME									
Idaho (Millions)	2,011	2,235	2,516	2,729	2,846	2,881	2,929	3,063	3,243
% Ch	10.0%	11.2%	12.6%	8.5%	4.3%	1.2%	1.7%	4.6%	5.9%
National (Billions)	407	442	472	493	494	492	498	530	562
% Ch	7.8%	8.7%	6.8%	4.4%	0.1%	-0.2%	1.0%	6.5%	6.2%
GOVT. TRANSFERS TO INDIV.									
Idaho (Millions)	2,194	2,460	2,645	2,789	3,023	3,319	3,408	3,557	3,776
% Ch	11.5%	12.1%	7.5%	5.5%	8.4%	9.8%	2.7%	4.4%	6.1%
National (Billions)	666	749	790	827	877	925	951	979	1,022
% Ch	12.0%	12.4%	5.4%	4.7%	6.1%	5.4%	2.8%	2.9%	4.4%
CONTRIB. FOR SOCIAL INSUR.									
Idaho (Millions)	1,482	1,613	1,767	1,951	2,074	2,134	2,223	2,337	2,480
% Ch	9.2%	8.8%	9.5%	10.5%	6.3%	2.9%	4.2%	5.1%	6.1%
National (Billions)	215	228	240	254	264	275	290	307	323
% Ch	4.2%	6.2%	5.0%	6.0%	3.9%	4.1%	5.3%	6.0%	5.3%
RESIDENCE ADJUSTMENT									
Idaho (Millions)	174	192	210	238	281	326	369	437	504
% Ch	14.6%	9.9%	9.5%	13.3%	18.3%	15.9%	13.2%	18.3%	15.4%

National Variables Forecast by Global Insight
Forecast Begins the FOURTH Quarter of 2004

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
APRIL 2005**

PERSONAL INCOME--CURRENT \$\$

	2000	2001	2002	2003	2004	2005	2006	2007	2008
WAGE AND SALARY PAYMENTS									
Idaho (Millions)	16,552	16,880	17,167	17,640	18,731	19,765	20,893	22,106	23,381
% Ch	10.2%	2.0%	1.7%	2.8%	6.2%	5.5%	5.7%	5.8%	5.8%
National (Billions)	4,829	4,943	4,976	5,104	5,356	5,674	6,003	6,338	6,680
% Ch	8.1%	2.4%	0.7%	2.6%	4.9%	5.9%	5.8%	5.6%	5.4%
FARM PROPRIETORS INCOME									
Idaho (Millions)	471	653	593	536	579	594	660	712	716
% Ch	-31.8%	38.6%	-9.1%	-9.6%	8.0%	2.6%	11.1%	7.8%	0.6%
National (Billions)	23	20	10	22	18	23	19	17	18
% Ch	-20.7%	-13.1%	-50.9%	125.8%	-16.7%	28.3%	-16.7%	-10.2%	4.5%
NONFARM PROPRIETORS INCOME									
Idaho (Millions)	2,883	3,311	3,396	3,623	3,976	4,345	4,578	4,848	5,114
% Ch	4.3%	14.9%	2.6%	6.7%	9.7%	9.3%	5.4%	5.9%	5.5%
National (Billions)	706	752	760	812	884	964	1,014	1,071	1,128
% Ch	8.6%	6.6%	1.0%	6.9%	8.9%	9.0%	5.1%	5.7%	5.3%
DIVIDENDS, RENT & INTEREST									
Idaho (Millions)	5,909	6,225	6,125	6,032	6,381	6,600	6,864	7,189	7,718
% Ch	6.5%	5.3%	-1.6%	-1.5%	5.8%	3.4%	4.0%	4.7%	7.4%
National (Billions)	1,537	1,547	1,506	1,477	1,552	1,610	1,684	1,771	1,904
% Ch	8.9%	0.7%	-2.7%	-1.9%	5.1%	3.7%	4.6%	5.2%	7.5%
OTHER LABOR INCOME									
Idaho (Millions)	3,549	3,649	3,997	4,258	4,613	4,876	5,106	5,317	5,558
% Ch	9.4%	2.8%	9.6%	6.5%	8.3%	5.7%	4.7%	4.1%	4.5%
National (Billions)	610	643	730	809	875	923	964	997	1,036
% Ch	8.5%	5.4%	13.5%	10.9%	8.2%	5.4%	4.4%	3.4%	3.9%
GOVT. TRANSFERS TO INDIV.									
Idaho (Millions)	4,079	4,568	4,953	5,201	5,443	5,704	6,140	6,564	6,984
% Ch	8.0%	12.0%	8.4%	5.0%	4.6%	4.8%	7.7%	6.9%	6.4%
National (Billions)	1,084	1,194	1,283	1,335	1,406	1,476	1,582	1,684	1,786
% Ch	6.1%	10.1%	7.4%	4.1%	5.3%	5.0%	7.2%	6.5%	6.1%
CONTRIB. FOR SOCIAL INSUR.									
Idaho (Millions)	2,676	2,726	2,803	2,886	3,096	3,286	3,498	3,722	3,960
% Ch	7.9%	1.9%	2.8%	2.9%	7.3%	6.1%	6.4%	6.4%	6.4%
National (Billions)	344	357	364	377	400	423	450	476	503
% Ch	6.2%	3.8%	2.0%	3.6%	6.1%	5.9%	6.3%	5.8%	5.7%
RESIDENCE ADJUSTMENT									
Idaho (Millions)	525	532	536	551	569	571	583	597	613
% Ch	4.1%	1.5%	0.7%	2.8%	3.3%	0.5%	2.0%	2.4%	2.7%

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EMPLOYMENT

	1991	1992	1993	1994	1995	1996	1997	1998	1999
TOTAL NONFARM EMPLOYMENT									
Idaho	394,129	413,478	434,503	460,210	477,046	490,900	507,422	520,476	538,102
% Ch	N/C	4.9%	5.1%	5.9%	3.7%	2.9%	3.4%	2.6%	3.4%
National (Thousands)	108,384	108,723	110,847	114,282	117,306	119,699	122,767	125,924	128,992
% Ch	-1.0%	0.3%	2.0%	3.1%	2.6%	2.0%	2.6%	2.6%	2.4%
GOODS PRODUCING SECTOR									
Idaho	80,857	85,009	90,364	97,412	98,311	102,401	105,506	106,975	108,726
% Ch	N/C	5.1%	6.3%	7.8%	0.9%	4.2%	3.0%	1.4%	1.6%
National (Thousands)	22,591	22,094	22,221	22,777	23,161	23,412	23,884	24,352	24,467
% Ch	-4.8%	-2.2%	0.6%	2.5%	1.7%	1.1%	2.0%	2.0%	0.5%
MANUFACTURING									
Idaho	57,409	59,921	63,132	65,718	65,640	68,313	70,186	71,530	71,219
% Ch	N/C	4.4%	5.4%	4.1%	-0.1%	4.1%	2.7%	1.9%	-0.4%
National (Thousands)	17,146	16,879	16,857	17,106	17,327	17,317	17,500	17,640	17,404
% Ch	-3.6%	-1.6%	-0.1%	1.5%	1.3%	-0.1%	1.1%	0.8%	-1.3%
DURABLE MANUFACTURING									
Idaho	30,153	32,119	34,786	37,822	39,958	42,447	44,216	45,894	45,704
% Ch	N/C	6.5%	8.3%	8.7%	5.6%	6.2%	4.2%	3.8%	-0.4%
National (Thousands)	10,298	10,025	9,983	10,214	10,456	10,565	10,785	10,990	10,912
% Ch	-4.8%	-2.6%	-0.4%	2.3%	2.4%	1.0%	2.1%	1.9%	-0.7%
LOGGING & WOOD PRODUCTS									
Idaho	9,760	10,461	10,796	11,774	11,864	12,024	11,898	11,466	11,483
% Ch	N/C	7.2%	3.2%	9.1%	0.8%	1.3%	-1.0%	-3.6%	0.2%
National (Thousands)	577	580	605	643	656	663	677	689	701
% Ch	-7.7%	0.6%	4.3%	6.2%	2.0%	1.1%	2.1%	1.7%	1.8%
METAL FABRICATION									
Idaho	2,460	2,436	2,577	2,958	3,410	3,582	3,793	3,826	3,942
% Ch	N/C	-1.0%	5.8%	14.8%	15.3%	5.0%	5.9%	0.9%	3.0%
National (Thousands)	1,542	1,497	1,510	1,566	1,624	1,648	1,696	1,739	1,728
% Ch	-4.3%	-2.9%	0.8%	3.7%	3.7%	1.5%	2.9%	2.6%	-0.6%
MACHINERY									
Idaho	2,287	2,352	2,613	2,901	3,078	3,189	3,065	3,178	3,039
% Ch	N/C	2.8%	11.1%	11.0%	6.1%	3.6%	-3.9%	3.7%	-4.4%
National (Thousands)	1,345	1,310	1,329	1,379	1,440	1,466	1,494	1,512	1,466
% Ch	-4.4%	-2.7%	1.5%	3.8%	4.4%	1.8%	1.9%	1.3%	-3.1%
COMPUTER & ELECTRONICS									
Idaho	10,696	11,744	13,169	13,646	14,325	16,280	17,727	19,054	18,408
% Ch	N/C	9.8%	12.1%	3.6%	5.0%	13.6%	8.9%	7.5%	-3.4%
National (Thousands)	1,809	1,707	1,656	1,651	1,688	1,747	1,803	1,831	1,781
% Ch	-4.9%	-5.6%	-3.0%	-0.3%	2.3%	3.4%	3.2%	1.5%	-2.7%
OTHER DURABLES									
Idaho	4,949	5,126	5,630	6,543	7,280	7,373	7,733	8,371	8,831
% Ch	N/C	3.6%	9.8%	16.2%	11.3%	1.3%	4.9%	8.3%	5.5%
National (Thousands)	5,025	4,931	4,883	4,975	5,047	5,041	5,115	5,218	5,235
% Ch	-4.8%	-1.9%	-1.0%	1.9%	1.4%	-0.1%	1.5%	2.0%	0.3%

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EMPLOYMENT

	2000	2001	2002	2003	2004	2005	2006	2007	2008
TOTAL NONFARM EMPLOYMENT									
Idaho	558,578	568,017	568,006	572,506	586,921	597,852	608,257	619,598	630,439
% Ch	3.8%	1.7%	0.0%	0.8%	2.5%	1.9%	1.7%	1.9%	1.7%
National (Thousands)	131,792	131,833	130,345	129,999	131,475	133,736	135,629	136,875	137,821
% Ch	2.2%	0.0%	-1.1%	-0.3%	1.1%	1.7%	1.4%	0.9%	0.7%
GOODS PRODUCING SECTOR									
Idaho	111,887	110,221	105,014	102,366	105,052	105,930	104,273	103,513	102,872
% Ch	2.9%	-1.5%	-4.7%	-2.5%	2.6%	0.8%	-1.6%	-0.7%	-0.6%
National (Thousands)	24,653	23,873	22,555	21,812	21,881	22,157	22,330	22,381	22,351
% Ch	0.8%	-3.2%	-5.5%	-3.3%	0.3%	1.3%	0.8%	0.2%	-0.1%
MANUFACTURING									
Idaho	73,039	70,393	66,803	63,864	63,499	63,808	64,176	64,976	65,601
% Ch	2.6%	-3.6%	-5.1%	-4.4%	-0.6%	0.5%	0.6%	1.2%	1.0%
National (Thousands)	17,345	16,515	15,328	14,577	14,396	14,415	14,498	14,548	14,489
% Ch	-0.3%	-4.8%	-7.2%	-4.9%	-1.2%	0.1%	0.6%	0.3%	-0.4%
DURABLE MANUFACTURING									
Idaho	47,413	45,099	42,319	39,952	40,547	40,992	41,157	41,717	42,186
% Ch	3.7%	-4.9%	-6.2%	-5.6%	1.5%	1.1%	0.4%	1.4%	1.1%
National (Thousands)	10,956	10,408	9,553	9,031	8,990	9,059	9,157	9,219	9,211
% Ch	0.4%	-5.0%	-8.2%	-5.5%	-0.5%	0.8%	1.1%	0.7%	-0.1%
LOGGING & WOOD PRODUCTS									
Idaho	11,573	9,853	9,559	9,054	9,321	9,254	8,898	8,635	8,337
% Ch	0.8%	-14.9%	-3.0%	-5.3%	3.0%	-0.7%	-3.8%	-3.0%	-3.5%
National (Thousands)	692	647	625	607	617	614	573	543	530
% Ch	-1.3%	-6.4%	-3.4%	-3.0%	1.6%	-0.4%	-6.8%	-5.1%	-2.4%
METAL FABRICATION									
Idaho	4,030	3,875	3,635	3,536	3,622	3,628	3,709	3,795	3,873
% Ch	2.2%	-3.8%	-6.2%	-2.7%	2.4%	0.2%	2.2%	2.3%	2.1%
National (Thousands)	1,753	1,677	1,549	1,479	1,497	1,523	1,571	1,624	1,659
% Ch	1.4%	-4.4%	-7.6%	-4.5%	1.3%	1.7%	3.2%	3.4%	2.1%
MACHINERY									
Idaho	3,305	3,055	2,831	2,632	2,574	2,653	2,755	2,838	2,816
% Ch	8.7%	-7.6%	-7.3%	-7.0%	-2.2%	3.1%	3.8%	3.0%	-0.8%
National (Thousands)	1,455	1,368	1,229	1,150	1,142	1,167	1,225	1,244	1,222
% Ch	-0.8%	-6.0%	-10.1%	-6.5%	-0.7%	2.2%	5.0%	1.5%	-1.7%
COMPUTER & ELECTRONICS									
Idaho	19,454	19,652	17,925	16,292	16,283	16,334	16,547	17,131	17,725
% Ch	5.7%	1.0%	-8.8%	-9.1%	-0.1%	0.3%	1.3%	3.5%	3.5%
National (Thousands)	1,820	1,749	1,507	1,355	1,326	1,346	1,344	1,381	1,388
% Ch	2.2%	-3.9%	-13.8%	-10.1%	-2.1%	1.5%	-0.2%	2.7%	0.5%
OTHER DURABLES									
Idaho	9,051	8,663	8,368	8,438	8,746	9,124	9,249	9,318	9,434
% Ch	2.5%	-4.3%	-3.4%	0.8%	3.7%	4.3%	1.4%	0.7%	1.2%
National (Thousands)	5,236	4,967	4,643	4,441	4,408	4,409	4,444	4,427	4,412
% Ch	0.0%	-5.1%	-6.5%	-4.3%	-0.7%	0.0%	0.8%	-0.4%	-0.3%

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EMPLOYMENT

MANUFACTURING (continued)	1991	1992	1993	1994	1995	1996	1997	1998	1999
NONDURABLE MANUFACTURING									
Idaho	27,256	27,802	28,346	27,897	25,682	25,865	25,970	25,636	25,515
% Ch	N/C	2.0%	2.0%	-1.6%	-7.9%	0.7%	0.4%	-1.3%	-0.5%
National (Thousands)	6,848	6,854	6,874	6,892	6,871	6,752	6,715	6,650	6,493
% Ch	-1.6%	0.1%	0.3%	0.3%	-0.3%	-1.7%	-0.6%	-1.0%	-2.4%
FOOD PROCESSING									
Idaho	17,197	17,445	17,856	17,369	16,827	17,119	17,263	16,830	16,705
% Ch	N/C	1.4%	2.4%	-2.7%	-3.1%	1.7%	0.8%	-2.5%	-0.7%
National (Thousands)	1,515	1,519	1,535	1,540	1,561	1,562	1,557	1,555	1,550
% Ch	0.5%	0.3%	1.1%	0.3%	1.3%	0.1%	-0.3%	-0.1%	-0.3%
PRINTING									
Idaho	2,226	2,211	2,231	2,241	2,308	2,365	2,326	2,307	2,234
% Ch	N/C	-0.7%	0.9%	0.4%	3.0%	2.5%	-1.6%	-0.8%	-3.2%
National (Thousands)	792	780	785	802	817	816	821	828	814
% Ch	-2.0%	-1.5%	0.6%	2.2%	1.9%	-0.2%	0.6%	0.8%	-1.6%
CHEMICALS									
Idaho	4,172	4,259	4,210	4,099	2,354	2,330	2,272	2,361	2,314
% Ch	N/C	2.1%	-1.1%	-2.6%	-42.6%	-1.0%	-2.5%	3.9%	-2.0%
National (Thousands)	1,024	1,029	1,025	1,005	988	985	987	993	983
% Ch	-1.1%	0.5%	-0.4%	-2.0%	-1.7%	-0.3%	0.2%	0.6%	-1.0%
OTHER NONDURABLES									
Idaho	3,661	3,887	4,049	4,187	4,193	4,051	4,108	4,138	4,262
% Ch	N/C	6.2%	4.2%	3.4%	0.1%	-3.4%	1.4%	0.7%	3.0%
National (Thousands)	3,517	3,526	3,529	3,545	3,505	3,390	3,350	3,274	3,145
% Ch	-2.5%	0.3%	0.1%	0.5%	-1.1%	-3.3%	-1.2%	-2.3%	-3.9%
MINING									
Idaho	3,098	2,581	2,164	2,367	2,683	2,977	2,996	2,817	2,485
% Ch	N/C	-16.7%	-16.1%	9.4%	13.3%	11.0%	0.7%	-6.0%	-11.8%
National (Thousands)	661	610	585	576	558	556	571	565	518
% Ch	-2.8%	-7.7%	-4.1%	-1.4%	-3.2%	-0.3%	2.7%	-1.1%	-8.4%
CONSTRUCTION									
Idaho	20,350	22,508	25,068	29,326	29,988	31,112	32,323	32,627	35,022
% Ch	N/C	10.6%	11.4%	17.0%	2.3%	3.7%	3.9%	0.9%	7.3%
National (Thousands)	4,784	4,605	4,779	5,094	5,276	5,538	5,813	6,147	6,545
% Ch	-9.2%	-3.7%	3.8%	6.6%	3.6%	5.0%	5.0%	5.8%	6.5%
NONGOODS PRODUCING									
Idaho	313,272	328,469	344,139	362,798	378,735	388,498	401,917	413,501	429,376
% Ch	N/C	4.9%	4.8%	5.4%	4.4%	2.6%	3.5%	2.9%	3.8%
National (Thousands)	85,793	86,629	88,626	91,505	94,145	96,287	98,883	101,571	104,525
% Ch	0.0%	1.0%	2.3%	3.2%	2.9%	2.3%	2.7%	2.7%	2.9%
SERVICES									
Idaho	155,410	163,210	173,523	185,543	196,052	202,105	210,033	217,462	227,554
% Ch	N/C	5.0%	6.3%	6.9%	5.7%	3.1%	3.9%	3.5%	4.6%
National (Thousands)	49,164	49,904	51,520	53,498	55,382	57,094	59,170	61,256	63,350
% Ch	0.5%	1.5%	3.2%	3.8%	3.5%	3.1%	3.6%	3.5%	3.4%
INFORMATION									
Idaho	6,990	7,083	7,195	7,413	7,602	7,699	7,587	8,376	9,274
% Ch	N/C	1.3%	1.6%	3.0%	2.5%	1.3%	-1.5%	10.4%	10.7%
National (Thousands)	2,678	2,642	2,667	2,739	2,844	2,940	3,084	3,219	3,418
% Ch	-0.4%	-1.3%	1.0%	2.7%	3.8%	3.4%	4.9%	4.4%	6.2%
FINANCIAL ACTIVITIES									
Idaho	21,116	22,104	23,257	24,520	25,492	26,833	26,835	24,256	25,307
% Ch	N/C	4.7%	5.2%	5.4%	4.0%	5.3%	0.0%	-9.6%	4.3%
National (Thousands)	6,559	6,540	6,708	6,866	6,828	6,969	7,178	7,462	7,646
% Ch	-0.8%	-0.3%	2.6%	2.4%	-0.6%	2.1%	3.0%	4.0%	2.5%

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EMPLOYMENT

MANUFACTURING (continued)									
	2000	2001	2002	2003	2004	2005	2006	2007	2008
NONDURABLE MANUFACTURING									
Idaho	25,626	25,294	24,484	23,912	22,952	22,816	23,019	23,259	23,415
% Ch	0.4%	-1.3%	-3.2%	-2.3%	-4.0%	-0.6%	0.9%	1.0%	0.7%
National (Thousands)	6,388	6,106	5,775	5,546	5,406	5,356	5,342	5,328	5,278
% Ch	-1.6%	-4.4%	-5.4%	-4.0%	-2.5%	-0.9%	-0.3%	-0.2%	-0.9%
FOOD PROCESSING									
Idaho	16,660	16,521	16,354	15,900	14,805	14,540	14,674	14,851	14,959
% Ch	-0.3%	-0.8%	-1.0%	-2.8%	-6.9%	-1.8%	0.9%	1.2%	0.7%
National (Thousands)	1,553	1,550	1,525	1,517	1,498	1,506	1,518	1,536	1,544
% Ch	0.2%	-0.2%	-1.6%	-0.5%	-1.2%	0.5%	0.8%	1.1%	0.6%
PRINTING									
Idaho	2,339	2,225	2,033	2,030	1,929	1,933	1,925	1,926	1,920
% Ch	4.7%	-4.9%	-8.6%	-0.2%	-5.0%	0.2%	-0.4%	0.0%	-0.3%
National (Thousands)	807	769	707	680	665	660	664	671	673
% Ch	-0.9%	-4.7%	-8.1%	-3.7%	-2.3%	-0.7%	0.7%	1.1%	0.3%
CHEMICALS									
Idaho	2,336	2,323	1,925	1,830	1,871	1,838	1,799	1,752	1,698
% Ch	1.0%	-0.5%	-17.2%	-4.9%	2.2%	-1.7%	-2.2%	-2.6%	-3.1%
National (Thousands)	980	959	927	906	887	872	874	867	851
% Ch	-0.2%	-2.2%	-3.3%	-2.3%	-2.1%	-1.7%	0.2%	-0.8%	-1.8%
OTHER NONDURABLES									
Idaho	4,291	4,225	4,172	4,152	4,347	4,504	4,621	4,730	4,838
% Ch	0.7%	-1.5%	-1.2%	-0.5%	4.7%	3.6%	2.6%	2.4%	2.3%
National (Thousands)	3,048	2,829	2,616	2,443	2,356	2,318	2,285	2,254	2,209
% Ch	-3.1%	-7.2%	-7.5%	-6.6%	-3.6%	-1.6%	-1.4%	-1.4%	-2.0%
MINING									
Idaho	2,347	1,973	1,758	1,784	1,920	1,918	1,756	1,579	1,321
% Ch	-5.5%	-15.9%	-10.9%	1.5%	7.6%	-0.1%	-8.4%	-10.1%	-16.4%
National (Thousands)	520	532	512	503	523	554	543	517	487
% Ch	0.5%	2.4%	-3.8%	-1.8%	4.1%	5.8%	-1.9%	-4.8%	-5.7%
CONSTRUCTION									
Idaho	36,501	37,855	36,453	36,718	39,634	40,204	38,341	36,958	35,950
% Ch	4.2%	3.7%	-3.7%	0.7%	7.9%	1.4%	-4.6%	-3.6%	-2.7%
National (Thousands)	6,788	6,826	6,714	6,732	6,961	7,188	7,289	7,317	7,374
% Ch	3.7%	0.6%	-1.6%	0.3%	3.4%	3.3%	1.4%	0.4%	0.8%
NONGOODS PRODUCING									
Idaho	446,692	457,796	462,991	470,140	481,868	491,922	503,984	516,085	527,567
% Ch	4.0%	2.5%	1.1%	1.5%	2.5%	2.1%	2.5%	2.4%	2.2%
National (Thousands)	107,139	107,960	107,791	108,187	109,593	111,579	113,299	114,493	115,470
% Ch	2.5%	0.8%	-0.2%	0.4%	1.3%	1.8%	1.5%	1.1%	0.9%
SERVICES									
Idaho	238,276	249,568	253,617	260,002	268,814	276,610	285,830	294,919	303,124
% Ch	4.7%	4.7%	1.6%	2.5%	3.4%	2.9%	3.3%	3.2%	2.8%
National (Thousands)	65,137	65,829	65,602	66,074	67,281	68,884	70,294	71,313	72,242
% Ch	2.8%	1.1%	-0.3%	0.7%	1.8%	2.4%	2.0%	1.4%	1.3%
INFORMATION									
Idaho	9,859	9,596	9,156	9,182	9,857	10,354	10,736	10,998	11,180
% Ch	6.3%	-2.7%	-4.6%	0.3%	7.4%	5.0%	3.7%	2.4%	1.7%
National (Thousands)	3,629	3,628	3,393	3,188	3,138	3,137	3,140	3,195	3,249
% Ch	6.2%	0.0%	-6.5%	-6.0%	-1.6%	0.0%	0.1%	1.8%	1.7%
FINANCIAL ACTIVITIES									
Idaho	25,161	25,014	25,825	26,946	27,865	28,840	29,510	30,110	30,615
% Ch	-0.6%	-0.6%	3.2%	4.3%	3.4%	3.5%	2.3%	2.0%	1.7%
National (Thousands)	7,688	7,809	7,848	7,975	8,051	8,193	8,209	8,205	8,232
% Ch	0.5%	1.6%	0.5%	1.6%	0.9%	1.8%	0.2%	0.0%	0.3%

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Forecast Begins the FOURTH Quarter of 2004**

IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
APRIL 2005

EMPLOYMENT

SERVICES (Continued)	1991	1992	1993	1994	1995	1996	1997	1998	1999
TRANS., WAREHOUSING, UTILITIES									
Idaho	13,478	14,055	14,557	15,465	16,508	17,329	17,624	18,158	19,004
% Ch	N/C	4.3%	3.6%	6.2%	6.7%	5.0%	1.7%	3.0%	4.7%
National (Thousands)	4,200	4,188	4,264	4,390	4,505	4,576	4,647	4,781	4,906
% Ch	-0.4%	-0.3%	1.8%	2.9%	2.6%	1.6%	1.5%	2.9%	2.6%
PROFESSIONAL & BUSINESS									
Idaho	32,720	33,756	36,872	39,173	42,480	42,934	47,295	50,766	54,792
% Ch	N/C	3.2%	9.2%	6.2%	8.4%	1.1%	10.2%	7.3%	7.9%
National (Thousands)	10,715	10,967	11,493	12,171	12,846	13,461	14,333	15,142	15,954
% Ch	-1.2%	2.3%	4.8%	5.9%	5.6%	4.8%	6.5%	5.6%	5.4%
EDUCATION & HEALTH									
Idaho	32,043	34,554	36,841	39,048	41,491	44,361	46,347	49,248	50,574
% Ch	N/C	7.8%	6.6%	6.0%	6.3%	6.9%	4.5%	6.3%	2.7%
National (Thousands)	11,507	11,890	12,303	12,806	13,288	13,683	14,088	14,445	14,795
% Ch	4.8%	3.3%	3.5%	4.1%	3.8%	3.0%	3.0%	2.5%	2.4%
LEISURE & HOSPITALITY									
Idaho	37,432	39,614	41,375	44,569	46,651	47,557	48,839	50,424	51,460
% Ch	N/C	5.8%	4.4%	7.7%	4.7%	1.9%	2.7%	3.2%	2.1%
National (Thousands)	9,256	9,439	9,733	10,098	10,499	10,774	11,016	11,232	11,544
% Ch	-0.3%	2.0%	3.1%	3.7%	4.0%	2.6%	2.3%	2.0%	2.8%
OTHER SERVICES									
Idaho	11,631	12,045	13,426	15,355	15,829	15,393	15,506	16,235	17,144
% Ch	N/C	3.6%	11.5%	14.4%	3.1%	-2.8%	0.7%	4.7%	5.6%
National (Thousands)	4,249	4,240	4,350	4,429	4,572	4,691	4,825	4,976	5,087
% Ch	-0.3%	-0.2%	2.6%	1.8%	3.2%	2.6%	2.9%	3.1%	2.2%
TRADE									
Idaho	72,496	75,916	78,874	83,336	86,215	89,134	91,683	93,772	96,725
% Ch	N/C	4.7%	3.9%	5.7%	3.5%	3.4%	2.9%	2.3%	3.1%
National (Thousands)	18,083	17,939	18,113	18,733	19,328	19,663	20,053	20,405	20,863
% Ch	-2.0%	-0.8%	1.0%	3.4%	3.2%	1.7%	2.0%	1.8%	2.2%
RETAIL TRADE									
Idaho	52,323	54,822	57,743	61,034	63,162	65,408	67,175	69,160	71,418
% Ch	N/C	4.8%	5.3%	5.7%	3.5%	3.6%	2.7%	3.0%	3.3%
National (Thousands)	12,897	12,829	13,019	13,486	13,895	14,141	14,390	14,610	14,971
% Ch	-2.2%	-0.5%	1.5%	3.6%	3.0%	1.8%	1.8%	1.5%	2.5%
WHOLESALE TRADE									
Idaho	20,173	21,094	21,132	22,303	23,053	23,726	24,508	24,612	25,307
% Ch	N/C	4.6%	0.2%	5.5%	3.4%	2.9%	3.3%	0.4%	2.8%
National (Thousands)	5,186	5,110	5,094	5,247	5,433	5,523	5,663	5,795	5,893
% Ch	-1.6%	-1.5%	-0.3%	3.0%	3.5%	1.6%	2.6%	2.3%	1.7%
STATE & LOCAL GOVERNMENT									
Idaho	72,468	75,893	78,166	80,426	83,355	84,360	87,297	89,467	92,263
% Ch	N/C	4.7%	3.0%	2.9%	3.6%	1.2%	3.5%	2.5%	3.1%
National (Thousands)	14,791	15,218	15,436	15,674	15,931	16,258	16,488	16,653	16,854
% Ch	2.6%	2.9%	1.4%	1.5%	1.6%	2.1%	1.4%	1.0%	1.2%
EDUCATION									
Idaho	37,568	38,516	39,830	40,542	42,571	42,572	44,219	45,412	46,750
% Ch	N/C	2.5%	3.4%	1.8%	5.0%	0.0%	3.9%	2.7%	2.9%
NONEDUCATION									
Idaho	34,900	37,377	38,336	39,884	40,783	41,787	43,078	44,055	45,513
% Ch	N/C	7.1%	2.6%	4.0%	2.3%	2.5%	3.1%	2.3%	3.3%
FEDERAL GOVERNMENT									
Idaho	12,899	13,450	13,575	13,493	13,113	12,899	12,904	12,800	12,834
% Ch	N/C	4.3%	0.9%	-0.6%	-2.8%	-1.6%	0.0%	-0.8%	0.3%
National (Thousands)	3,111	3,112	3,062	3,016	2,947	2,876	2,806	2,771	2,770
% Ch	-0.4%	0.0%	-1.6%	-1.5%	-2.3%	-2.4%	-2.5%	-1.2%	0.0%

National Variables Forecast by Global Insight
Forecast Begins the FOURTH Quarter of 2004

IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
APRIL 2005
EMPLOYMENT

SERVICES (Continued)	2000	2001	2002	2003	2004	2005	2006	2007	2008
TRANS., WAREHOUSING, UTILITIES									
Idaho	19,409	19,156	18,674	18,760	18,925	19,033	19,403	19,782	20,211
% Ch	2.1%	-1.3%	-2.5%	0.5%	0.9%	0.6%	1.9%	2.0%	2.2%
National (Thousands)	5,013	4,974	4,822	4,762	4,819	4,949	5,055	5,136	5,239
% Ch	2.2%	-0.8%	-3.1%	-1.2%	1.2%	2.7%	2.1%	1.6%	2.0%
PROFESSIONAL & BUSINESS									
Idaho	60,622	67,647	69,005	69,992	73,196	75,439	78,693	81,940	84,545
% Ch	10.6%	11.6%	2.0%	1.4%	4.6%	3.1%	4.3%	4.1%	3.2%
National (Thousands)	16,670	16,483	15,977	15,985	16,410	17,042	17,652	18,234	18,756
% Ch	4.5%	-1.1%	-3.1%	0.0%	2.7%	3.9%	3.6%	3.3%	2.9%
EDUCATION & HEALTH									
Idaho	53,018	56,957	59,812	62,554	65,113	67,147	69,264	71,452	73,626
% Ch	4.8%	7.4%	5.0%	4.6%	4.1%	3.1%	3.2%	3.2%	3.0%
National (Thousands)	15,109	15,645	16,202	16,587	16,952	17,301	17,611	17,792	17,996
% Ch	2.1%	3.5%	3.6%	2.4%	2.2%	2.1%	1.8%	1.0%	1.1%
LEISURE & HOSPITALITY									
Idaho	52,564	53,056	53,277	54,401	55,573	57,280	59,303	61,306	63,151
% Ch	2.1%	0.9%	0.4%	2.1%	2.2%	3.1%	3.5%	3.4%	3.0%
National (Thousands)	11,860	12,032	11,988	12,176	12,481	12,825	13,154	13,221	13,155
% Ch	2.7%	1.5%	-0.4%	1.6%	2.5%	2.8%	2.6%	0.5%	-0.5%
OTHER SERVICES									
Idaho	17,643	18,143	17,868	18,169	18,285	18,517	18,921	19,331	19,797
% Ch	2.9%	2.8%	-1.5%	1.7%	0.6%	1.3%	2.2%	2.2%	2.4%
National (Thousands)	5,168	5,258	5,372	5,400	5,431	5,438	5,474	5,530	5,615
% Ch	1.6%	1.7%	2.2%	0.5%	0.6%	0.1%	0.7%	1.0%	1.5%
TRADE									
Idaho	100,168	98,085	97,337	97,110	98,816	100,545	103,103	105,707	108,583
% Ch	3.6%	-2.1%	-0.8%	-0.2%	1.8%	1.7%	2.5%	2.5%	2.7%
National (Thousands)	21,212	21,012	20,677	20,528	20,692	20,911	21,105	21,206	21,173
% Ch	1.7%	-0.9%	-1.6%	-0.7%	0.8%	1.1%	0.9%	0.5%	-0.2%
RETAIL TRADE									
Idaho	74,455	72,619	72,390	72,614	73,467	74,636	76,634	78,667	80,906
% Ch	4.3%	-2.5%	-0.3%	0.3%	1.2%	1.6%	2.7%	2.7%	2.8%
National (Thousands)	15,279	15,239	15,024	14,920	15,038	15,181	15,308	15,419	15,378
% Ch	2.1%	-0.3%	-1.4%	-0.7%	0.8%	0.9%	0.8%	0.7%	-0.3%
WHOLESALE TRADE									
Idaho	25,713	25,466	24,947	24,496	25,349	25,909	26,469	27,040	27,677
% Ch	1.6%	-1.0%	-2.0%	-1.8%	3.5%	2.2%	2.2%	2.2%	2.4%
National (Thousands)	5,933	5,773	5,653	5,608	5,654	5,730	5,797	5,787	5,796
% Ch	0.7%	-2.7%	-2.1%	-0.8%	0.8%	1.3%	1.2%	-0.2%	0.1%
STATE & LOCAL GOVERNMENT									
Idaho	94,746	96,863	98,488	99,406	100,978	101,683	102,023	102,493	102,951
% Ch	2.7%	2.2%	1.7%	0.9%	1.6%	0.7%	0.3%	0.5%	0.4%
National (Thousands)	17,925	18,355	18,745	18,822	18,892	19,052	19,167	19,241	19,317
% Ch	6.4%	2.4%	2.1%	0.4%	0.4%	0.8%	0.6%	0.4%	0.4%
EDUCATION									
Idaho	47,989	49,023	49,656	49,917	50,663	51,424	51,710	52,145	52,617
% Ch	2.7%	2.2%	1.3%	0.5%	1.5%	1.5%	0.6%	0.8%	0.9%
NONEDUCATION									
Idaho	46,757	47,840	48,832	49,489	50,315	50,259	50,313	50,348	50,334
% Ch	2.7%	2.3%	2.1%	1.3%	1.7%	-0.1%	0.1%	0.1%	0.0%
FEDERAL GOVERNMENT									
Idaho	13,502	13,279	13,550	13,622	13,261	13,084	13,028	12,966	12,909
% Ch	5.2%	-1.6%	2.0%	0.5%	-2.6%	-1.3%	-0.4%	-0.5%	-0.4%
National (Thousands)	2,865	2,764	2,767	2,763	2,728	2,732	2,733	2,733	2,737
% Ch	3.4%	-3.5%	0.1%	-0.2%	-1.2%	0.1%	0.0%	0.0%	0.1%

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**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
APRIL 2005**

MISCELLANEOUS

	1991	1992	1993	1994	1995	1996	1997	1998	1999
SELECTED CHAIN-WEIGHTED DEFL.									
Gross Domestic Product	84.457	86.402	88.391	90.265	92.115	93.859	95.415	96.475	97.868
% Ch	3.5%	2.3%	2.3%	2.1%	2.0%	1.9%	1.7%	1.1%	1.4%
Consumption Expenditures	83.419	85.825	87.804	89.654	91.577	93.547	95.124	95.978	97.575
% Ch	3.6%	2.9%	2.3%	2.1%	2.1%	2.2%	1.7%	0.9%	1.7%
Durable Goods	106.081	106.756	107.841	109.978	110.672	109.507	107.068	104.152	101.626
% Ch	1.5%	0.6%	1.0%	2.0%	0.6%	-1.1%	-2.2%	-2.7%	-2.4%
Nondurable Goods	86.779	88.105	88.973	89.605	90.629	92.567	93.835	93.821	96.173
% Ch	3.0%	1.5%	1.0%	0.7%	1.1%	2.1%	1.4%	0.0%	2.5%
Services	77.497	80.684	83.345	85.748	88.320	90.844	93.305	95.319	97.393
% Ch	4.4%	4.1%	3.3%	2.9%	3.0%	2.9%	2.7%	2.2%	2.2%
Consumer Price Index (1982-84=1.000)	1.362	1.403	1.445	1.482	1.524	1.569	1.605	1.630	1.666
% Ch	4.2%	3.0%	3.0%	2.6%	2.8%	2.9%	2.3%	1.5%	2.2%
SELECTED INTEREST RATES									
Federal Funds	5.7%	3.5%	3.0%	4.2%	5.8%	5.3%	5.5%	5.4%	5.0%
NY Fed Discount	5.5%	3.3%	3.0%	3.6%	5.2%	5.0%	5.0%	4.9%	4.6%
Prime	8.5%	6.3%	6.0%	7.1%	8.8%	8.3%	8.4%	8.4%	8.0%
Existing Home Mortgage	9.3%	8.1%	7.2%	7.5%	7.8%	7.7%	7.7%	7.1%	7.3%
U.S. Govt. 3-Month Bills	5.4%	3.4%	3.0%	4.2%	5.5%	5.0%	5.1%	4.8%	4.6%
U.S. Govt. 6-Month Bills	5.5%	3.6%	3.1%	4.6%	5.6%	5.1%	5.2%	4.8%	4.7%
U.S. Govt. 5-Year Notes	7.4%	6.2%	5.1%	6.7%	6.4%	6.2%	6.2%	5.2%	5.5%
U.S. Govt. 10-Year Notes	7.9%	7.0%	5.9%	7.1%	6.6%	6.4%	6.4%	5.3%	5.6%
SELECTED US PRODUCTION INDICES									
Wood Products	81.2	85.7	86.7	91.8	94.0	97.1	100.0	104.5	108.8
% Ch	-6.4%	5.5%	1.1%	5.9%	2.4%	3.3%	3.0%	4.5%	4.2%
Computers & Electronic Products	30.3	34.2	37.7	44.8	58.1	74.3	100.0	128.5	169.7
% Ch	3.9%	12.8%	10.4%	18.7%	29.8%	27.8%	34.6%	28.5%	32.0%
Food	92.1	93.8	96.3	96.9	99.3	97.3	100.0	104.4	105.5
% Ch	1.8%	1.9%	2.7%	0.6%	2.6%	-2.0%	2.8%	4.4%	1.1%
Agricultural Chemicals	90.5	94.3	95.1	94.9	94.6	96.4	100.0	102.2	92.2
% Ch	-3.4%	4.2%	0.8%	-0.2%	-0.4%	2.0%	3.7%	2.2%	-9.8%
Metal Ore Mining	84.6	90.8	90.2	91.9	92.8	94.8	100.0	99.6	91.4
% Ch	-0.3%	7.3%	-0.7%	1.9%	1.0%	2.2%	5.4%	-0.4%	-8.2%

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**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
APRIL 2005**

MISCELLANEOUS

	2000	2001	2002	2003	2004	2005	2006	2007	2008
SELECTED CHAIN-WEIGHTED DEFL.									
Gross Domestic Product	100.000	102.402	104.097	106.004	108.287	110.509	112.601	114.950	117.453
% Ch	2.2%	2.4%	1.7%	1.8%	2.2%	2.1%	1.9%	2.1%	2.2%
Consumption Expenditures	100.000	102.094	103.548	105.511	107.817	109.838	111.726	113.993	116.535
% Ch	2.5%	2.1%	1.4%	1.9%	2.2%	1.9%	1.7%	2.0%	2.2%
Durable Goods	100.000	98.114	95.475	92.245	90.379	90.465	90.082	89.662	89.335
% Ch	-1.6%	-1.9%	-2.7%	-3.4%	-2.0%	0.1%	-0.4%	-0.5%	-0.4%
Nondurable Goods	100.000	101.531	102.097	104.154	107.628	109.387	109.711	110.981	112.686
% Ch	4.0%	1.5%	0.6%	2.0%	3.3%	1.6%	0.3%	1.2%	1.5%
Services	100.000	103.257	106.083	109.237	111.985	114.638	117.894	121.346	125.050
% Ch	2.7%	3.3%	2.7%	3.0%	2.5%	2.4%	2.8%	2.9%	3.1%
Consumer Price Index (1982-84=100)	1.722	1.771	1.798	1.840	1.889	1.931	1.963	2.001	2.043
% Ch	3.4%	2.8%	1.6%	2.3%	2.7%	2.2%	1.7%	1.9%	2.1%

SELECTED INTEREST RATES

Federal Funds	6.2%	3.9%	1.7%	1.1%	1.3%	3.2%	4.0%	4.3%	4.5%
NY Fed Discount	5.7%	3.4%	1.2%	2.1%	2.3%	4.2%	5.0%	5.3%	5.5%
Prime	9.2%	6.9%	4.7%	4.1%	4.3%	6.2%	7.0%	7.3%	7.5%
Existing Home Mortgage	8.0%	7.0%	6.5%	5.7%	5.7%	6.2%	6.5%	6.7%	7.1%
U.S. Govt. 3-Month Bills	5.8%	3.4%	1.6%	1.0%	1.4%	3.1%	3.8%	3.9%	4.2%
U.S. Govt. 6-Month Bills	5.9%	3.4%	1.7%	1.1%	1.6%	3.3%	3.9%	4.1%	4.3%
U.S. Govt. 5-Year Notes	6.2%	4.6%	3.8%	3.0%	3.4%	4.3%	4.8%	5.0%	5.4%
U.S. Govt. 10-Year Notes	6.0%	5.0%	4.6%	4.0%	4.3%	4.7%	5.2%	5.4%	5.8%

SELECTED US PRODUCTION INDICES

Wood Products	107.3	100.4	102.6	100.9	104.8	104.5	97.6	94.8	94.0
% Ch	-1.4%	-6.4%	2.1%	-1.6%	3.9%	-0.3%	-6.6%	-2.9%	-0.9%
Computers & Electronic Products	224.9	227.3	222.2	251.5	288.5	325.2	360.7	412.0	470.9
% Ch	32.6%	1.1%	-2.2%	13.2%	14.7%	12.7%	10.9%	14.2%	14.3%
Food	107.3	107.4	109.4	109.6	111.5	113.5	115.7	118.0	120.2
% Ch	1.7%	0.0%	1.9%	0.1%	1.8%	1.8%	1.9%	2.1%	1.8%
Agricultural Chemicals	86.9	80.0	81.0	81.0	81.2	81.5	81.3	80.6	80.1
% Ch	-5.7%	-8.0%	1.3%	0.0%	0.3%	0.3%	-0.2%	-0.9%	-0.5%
Metal Ore Mining	91.0	82.7	75.7	70.4	71.9	79.1	83.3	86.5	88.8
% Ch	-0.4%	-9.2%	-8.4%	-7.0%	2.2%	10.0%	5.3%	3.9%	2.6%

National Variables Forecast by Global Insight
Forecast Begins the FOURTH Quarter of 2004

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
APRIL 2005**

DEMOGRAPHICS

	Q1	2002 Q2	Q3	Q4	Q1	2003 Q2	Q3	Q4	Q1	2004 Q2	Q3	Q4
POPULATION												
Idaho (Thousands)	1,333.2	1,339.4	1,344.8	1,350.4	1,356.5	1,362.4	1,368.3	1,374.7	1,381.2	1,387.6	1,394.3	1,400.9
% Ch	1.6%	1.9%	1.6%	1.7%	1.8%	1.8%	1.8%	1.9%	1.9%	1.9%	2.0%	1.9%
National (Millions)	287.487	288.205	289.001	289.703	290.340	291.049	291.745	292.417	293.088	293.759	294.436	295.109
% Ch	0.9%	1.0%	1.1%	1.0%	0.9%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%
BIRTHS												
Idaho (Thousands)	20.860	20.935	21.017	21.197	21.387	21.635	21.850	22.071	21.937	22.062	22.202	22.332
% Ch	1.3%	1.4%	1.6%	3.5%	3.6%	4.7%	4.0%	4.1%	-2.4%	2.3%	2.6%	2.4%
National (Thousands)	3,881	3,883	3,886	3,890	3,894	3,898	3,903	3,909	3,915	3,921	3,928	3,935
% Ch	0.2%	0.2%	0.3%	0.4%	0.4%	0.4%	0.5%	0.6%	0.6%	0.6%	0.7%	0.8%
DEATHS												
Idaho (Thousands)	9.894	9.912	9.955	9.977	10.100	10.270	10.390	10.470	10.542	10.589	10.638	10.686
% Ch	1.1%	0.7%	1.7%	0.9%	5.0%	6.9%	4.8%	3.1%	2.8%	1.8%	1.9%	1.8%
National (Thousands)	2,459	2,465	2,470	2,475	2,480	2,485	2,490	2,495	2,499	2,504	2,510	2,515
% Ch	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
NET MIGRATION												
Idaho (Thousands)	8.943	9.907	10.734	11.403	11.959	11.567	12.074	12.707	13.360	13.731	14.435	14.473
HOUSING												
HOUSING STARTS												
Idaho	11,422	12,369	13,023	15,754	15,825	15,123	16,566	17,659	16,643	17,759	19,298	20,205
% Ch	14.5%	37.5%	22.9%	114.2%	1.8%	-16.6%	44.0%	29.1%	-21.1%	29.6%	39.4%	20.2%
National (Millions)	1.723	1.691	1.697	1.730	1.747	1.745	1.883	2.035	1.943	1.920	1.969	1.978
% Ch	45.1%	-7.2%	1.5%	7.8%	4.1%	-0.5%	35.7%	36.2%	-16.8%	-4.7%	10.8%	1.7%
SINGLE UNITS												
Idaho	10,012	10,756	11,312	12,412	12,840	12,830	14,123	15,558	14,497	15,124	16,483	18,177
% Ch	14.9%	33.2%	22.4%	44.9%	14.5%	-0.3%	46.8%	47.3%	-24.6%	18.5%	41.1%	47.9%
National (Millions)	1.370	1.349	1.339	1.395	1.418	1.420	1.522	1.657	1.570	1.596	1.632	1.620
% Ch	41.5%	-6.1%	-3.0%	17.9%	6.9%	0.6%	32.0%	40.4%	-19.4%	6.9%	9.2%	-2.7%
MULTIPLE UNITS												
Idaho	1,410	1,613	1,711	3,342	2,986	2,293	2,443	2,101	2,146	2,635	2,815	2,028
% Ch	12.1%	71.7%	26.4%	1356.3%	-36.3%	-65.2%	28.8%	-45.3%	8.9%	127.3%	30.3%	-73.1%
National (Millions)	0.353	0.342	0.359	0.335	0.329	0.325	0.361	0.378	0.373	0.323	0.338	0.357
% Ch	59.8%	-11.6%	21.0%	-24.2%	-7.0%	-4.8%	52.9%	19.8%	-4.9%	-43.5%	18.9%	25.4%
HOUSING STOCK												
Idaho (Thousands)	438.5	441.2	444.2	447.8	451.4	454.8	458.6	462.7	466.5	470.6	475.1	479.8
% Ch	2.3%	2.5%	2.7%	3.3%	3.3%	3.1%	3.4%	3.6%	3.3%	3.6%	3.9%	4.0%

National Variables Forecast by Global Insight
Forecast Begins the FOURTH Quarter of 2004

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
APRIL 2005**

DEMOGRAPHICS

	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4	Q1	2007 Q2	Q3	Q4
POPULATION												
Idaho (Thousands)	1,406.5	1,412.1	1,417.8	1,423.4	1,428.6	1,433.8	1,439.0	1,444.2	1,449.9	1,455.1	1,460.3	1,465.5
% Ch	1.6%	1.6%	1.6%	1.6%	1.5%	1.5%	1.5%	1.5%	1.6%	1.4%	1.4%	1.4%
National (Millions)	295.783	296.457	297.131	297.803	298.474	299.145	299.813	300.480	301.148	301.816	302.481	303.139
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
BIRTHS												
Idaho (Thousands)	22.431	22.527	22.627	22.723	22.804	22.885	22.966	23.047	23.146	23.227	23.308	23.389
% Ch	1.8%	1.7%	1.8%	1.7%	1.4%	1.4%	1.4%	1.4%	1.7%	1.4%	1.4%	1.4%
National (Thousands)	3,943	3,951	3,959	3,968	3,977	3,986	3,995	4,006	4,017	4,027	4,038	4,049
% Ch	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%	1.1%	1.1%	1.0%	1.1%	1.1%
DEATHS												
Idaho (Thousands)	10.728	10.770	10.813	10.855	10.895	10.935	10.974	11.014	11.057	11.097	11.136	11.176
% Ch	1.6%	1.6%	1.6%	1.6%	1.5%	1.5%	1.5%	1.5%	1.6%	1.4%	1.4%	1.4%
National (Thousands)	2,520	2,525	2,531	2,536	2,540	2,545	2,550	2,556	2,561	2,566	2,571	2,576
% Ch	0.8%	0.8%	1.0%	0.8%	0.6%	0.8%	0.8%	0.9%	0.8%	0.8%	0.8%	0.8%
NET MIGRATION												
Idaho (Thousands)	13.607	12.795	11.673	10.694	10.182	9.740	9.199	8.758	9.201	9.160	9.118	9.077
HOUSING												
HOUSING STARTS												
Idaho	19,892	19,298	18,403	17,518	17,456	17,530	17,419	17,329	17,019	16,804	16,618	16,470
% Ch	-6.0%	-11.4%	-17.3%	-17.9%	-1.4%	1.7%	-2.5%	-2.0%	-7.0%	-4.9%	-4.4%	-3.5%
National (Millions)	2.047	1.890	1.820	1.779	1.745	1.726	1.720	1.713	1.710	1.713	1.715	1.712
% Ch	14.7%	-27.3%	-14.0%	-8.7%	-7.3%	-4.3%	-1.4%	-1.7%	-0.6%	0.7%	0.5%	-0.6%
SINGLE UNITS												
Idaho	17,812	17,266	16,527	15,792	15,751	15,783	15,664	15,523	15,227	15,004	14,809	14,640
% Ch	-7.8%	-11.7%	-16.1%	-16.6%	-1.0%	0.8%	-3.0%	-3.6%	-7.4%	-5.7%	-5.1%	-4.5%
National (Millions)	1.675	1.543	1.480	1.446	1.426	1.419	1.412	1.400	1.394	1.391	1.389	1.387
% Ch	14.1%	-27.9%	-15.5%	-8.8%	-5.5%	-2.0%	-1.8%	-3.5%	-1.8%	-0.9%	-0.3%	-0.8%
MULTIPLE UNITS												
Idaho	2,081	2,031	1,876	1,727	1,704	1,748	1,754	1,806	1,792	1,800	1,809	1,831
% Ch	10.9%	-9.2%	-27.2%	-28.3%	-5.1%	10.7%	1.5%	12.4%	-3.2%	1.8%	2.0%	4.9%
National (Millions)	0.372	0.346	0.340	0.332	0.319	0.307	0.308	0.313	0.316	0.322	0.326	0.326
% Ch	17.3%	-24.6%	-7.4%	-8.5%	-15.0%	-14.2%	0.4%	7.1%	4.7%	7.7%	4.2%	0.1%
HOUSING STOCK												
Idaho (Thousands)	484.4	488.8	493.1	497.1	501.1	505.1	509.0	513.0	516.9	520.7	524.4	528.2
% Ch	3.9%	3.7%	3.5%	3.3%	3.3%	3.2%	3.2%	3.1%	3.1%	3.0%	2.9%	2.9%

**National Variables Forecast by Global Insight
Forecast Begins the FOURTH Quarter of 2004**

IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
APRIL 2005

OUTPUT, INCOME, & WAGES

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GROSS DOM. PRODUCT (Billions)												
Current Dollars	10,338	10,446	10,547	10,618	10,745	10,884	11,117	11,271	11,473	11,658	11,815	11,989
% Ch	4.4%	4.2%	3.9%	2.7%	4.9%	5.3%	8.8%	5.7%	7.4%	6.6%	5.5%	6.0%
2000 Chain-Weighted	9,994	10,053	10,117	10,136	10,184	10,287	10,473	10,581	10,698	10,785	10,891	10,993
% Ch	3.4%	2.4%	2.6%	0.7%	1.9%	4.1%	7.4%	4.2%	4.5%	3.3%	4.0%	3.8%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	33,556	34,327	34,043	33,927	34,286	34,748	35,198	35,586	36,150	37,031	37,385	38,213
% Ch	1.1%	9.5%	-3.3%	-1.4%	4.3%	5.5%	5.3%	4.5%	6.5%	10.1%	3.9%	9.2%
Idaho Nonfarm (Millions)	32,610	33,026	33,121	33,287	33,628	33,776	34,174	34,540	35,196	36,026	36,451	37,195
% Ch	4.6%	5.2%	1.2%	2.0%	4.2%	1.8%	4.8%	4.4%	7.8%	9.8%	4.8%	8.4%
National (Billions)	8,804	8,897	8,896	8,919	9,002	9,106	9,209	9,330	9,445	9,593	9,700	9,947
% Ch	2.2%	4.3%	-0.1%	1.1%	3.8%	4.7%	4.6%	5.3%	5.0%	6.4%	4.6%	10.6%
PERSONAL INCOME - 2000 \$												
Idaho (Millions)	32,687	33,203	32,767	32,544	32,628	33,009	33,303	33,570	33,829	34,389	34,609	35,154
% Ch	0.2%	6.5%	-5.1%	-2.7%	1.0%	4.7%	3.6%	3.2%	3.1%	6.8%	2.6%	6.5%
Idaho Nonfarm (Millions)	31,765	31,944	31,880	31,930	32,002	32,085	32,334	32,583	32,937	33,456	33,744	34,218
% Ch	3.6%	2.3%	-0.8%	0.6%	0.9%	1.0%	3.1%	3.1%	4.4%	6.5%	3.5%	5.7%
National (Billions)	8,575	8,606	8,562	8,556	8,567	8,650	8,714	8,801	8,839	8,908	8,980	9,151
% Ch	1.4%	1.4%	-2.0%	-0.3%	0.5%	3.9%	3.0%	4.1%	1.7%	3.2%	3.3%	7.8%
PER CAPITA PERS INC - CURR \$												
Idaho	25,169	25,628	25,315	25,123	25,276	25,506	25,723	25,886	26,173	26,688	26,812	27,279
% Ch	-0.5%	7.5%	-4.8%	-3.0%	2.5%	3.7%	3.5%	2.6%	4.5%	8.1%	1.9%	7.1%
National	30,623	30,871	30,781	30,787	31,006	31,286	31,566	31,907	32,226	32,655	32,946	33,707
% Ch	1.3%	3.3%	-1.2%	0.1%	2.9%	3.7%	3.6%	4.4%	4.1%	5.4%	3.6%	9.6%
PER CAPITA PERS INC - 2000 \$												
Idaho	24,517	24,789	24,366	24,099	24,054	24,229	24,339	24,419	24,493	24,784	24,821	25,095
% Ch	-1.4%	4.5%	-6.7%	-4.3%	-0.7%	2.9%	1.8%	1.3%	1.2%	4.8%	0.6%	4.5%
National	29,829	29,860	29,627	29,532	29,507	29,720	29,867	30,099	30,157	30,325	30,499	31,008
% Ch	0.4%	0.4%	-3.1%	-1.3%	-0.3%	2.9%	2.0%	3.1%	0.8%	2.2%	2.3%	6.8%
AVERAGE ANNUAL WAGE												
Idaho	29,082	29,090	29,234	29,281	29,480	29,580	29,822	29,867	30,203	30,703	31,022	31,156
% Ch	4.4%	0.1%	2.0%	0.7%	2.7%	1.4%	3.3%	0.6%	4.6%	6.8%	4.2%	1.7%
National	37,979	38,208	38,236	38,287	38,613	39,072	39,484	39,863	40,134	40,455	41,016	41,340
% Ch	4.0%	2.4%	0.3%	0.5%	3.5%	4.8%	4.3%	3.9%	2.7%	3.2%	5.7%	3.2%

National Variables Forecast by Global Insight
Forecast Begins the FOURTH Quarter of 2004

IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
APRIL 2005

OUTPUT, INCOME, & WAGES

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GROSS DOM. PRODUCT (Billions)												
Current Dollars	12,196	12,357	12,517	12,648	12,803	12,972	13,135	13,299	13,466	13,651	13,819	13,995
% Ch	7.1%	5.4%	5.3%	4.3%	5.0%	5.4%	5.1%	5.1%	5.1%	5.6%	5.0%	5.2%
2000 Chain-Weighted	11,102	11,212	11,305	11,370	11,451	11,548	11,639	11,726	11,808	11,905	11,991	12,080
% Ch	4.0%	4.0%	3.3%	2.3%	2.9%	3.4%	3.2%	3.0%	2.8%	3.3%	2.9%	3.0%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	38,330	38,876	39,475	39,997	40,545	41,071	41,609	42,080	42,713	43,291	43,916	44,520
% Ch	1.2%	5.8%	6.3%	5.4%	5.6%	5.3%	5.3%	4.6%	6.2%	5.5%	5.9%	5.6%
Idaho Nonfarm (Millions)	37,387	37,915	38,450	38,980	39,516	39,999	40,541	41,039	41,608	42,192	42,803	43,409
% Ch	2.1%	5.8%	5.8%	5.6%	5.6%	5.0%	5.5%	5.0%	5.7%	5.7%	5.9%	5.8%
National (Billions)	10,018	10,156	10,297	10,425	10,577	10,722	10,867	11,001	11,146	11,300	11,453	11,607
% Ch	2.9%	5.7%	5.7%	5.0%	6.0%	5.6%	5.5%	5.0%	5.4%	5.6%	5.5%	5.5%
PERSONAL INCOME - 2000 \$												
Idaho (Millions)	35,081	35,475	35,880	36,201	36,552	36,854	37,158	37,384	37,767	38,074	38,432	38,746
% Ch	-0.8%	4.6%	4.6%	3.6%	3.9%	3.4%	3.3%	2.5%	4.2%	3.3%	3.8%	3.3%
Idaho Nonfarm (Millions)	34,217	34,599	34,949	35,281	35,624	35,892	36,204	36,460	36,790	37,107	37,458	37,779
% Ch	0.0%	4.5%	4.1%	3.9%	3.9%	3.0%	3.5%	2.9%	3.7%	3.5%	3.8%	3.5%
National (Billions)	9,168	9,268	9,359	9,435	9,535	9,621	9,704	9,773	9,856	9,938	10,023	10,102
% Ch	0.8%	4.4%	4.0%	3.3%	4.3%	3.6%	3.5%	2.9%	3.4%	3.4%	3.5%	3.2%
PER CAPITA PERS INC - CURR \$												
Idaho	27,252	27,530	27,842	28,099	28,381	28,645	28,915	29,137	29,459	29,751	30,073	30,379
% Ch	-0.4%	4.2%	4.6%	3.7%	4.1%	3.8%	3.8%	3.1%	4.5%	4.0%	4.4%	4.1%
National	33,868	34,259	34,655	35,005	35,438	35,841	36,245	36,610	37,012	37,438	37,863	38,289
% Ch	1.9%	4.7%	4.7%	4.1%	5.0%	4.6%	4.6%	4.1%	4.5%	4.7%	4.6%	4.6%
PER CAPITA PERS INC - 2000 \$												
Idaho	24,942	25,122	25,307	25,433	25,586	25,704	25,822	25,886	26,048	26,166	26,318	26,439
% Ch	-2.4%	2.9%	3.0%	2.0%	2.4%	1.9%	1.9%	1.0%	2.5%	1.8%	2.3%	1.9%
National	30,997	31,262	31,499	31,683	31,947	32,161	32,368	32,525	32,726	32,926	33,135	33,323
% Ch	-0.1%	3.5%	3.1%	2.4%	3.4%	2.7%	2.6%	2.0%	2.5%	2.5%	2.6%	2.3%
AVERAGE ANNUAL WAGE												
Idaho	31,418	31,744	32,088	32,507	32,813	33,064	33,373	33,697	34,062	34,393	34,739	35,083
% Ch	3.4%	4.2%	4.4%	5.3%	3.8%	3.1%	3.8%	3.9%	4.4%	3.9%	4.1%	4.0%
National	41,779	42,227	42,639	43,060	43,551	44,006	44,492	44,992	45,534	46,040	46,555	47,087
% Ch	4.3%	4.4%	4.0%	4.0%	4.6%	4.3%	4.5%	4.6%	4.9%	4.5%	4.5%	4.7%

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
APRIL 2005**

PERSONAL INCOME -- CURR \$\$

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	16,992	17,110	17,230	17,337	17,516	17,511	17,698	17,835	18,187	18,684	18,965	19,088
% Ch	4.4%	2.8%	2.8%	2.5%	4.2%	-0.1%	4.3%	3.1%	8.1%	11.4%	6.2%	2.6%
National (Billions)	4,956	4,980	4,981	4,987	5,023	5,073	5,129	5,189	5,239	5,313	5,403	5,469
% Ch	2.7%	2.0%	0.1%	0.5%	2.9%	4.0%	4.4%	4.8%	3.9%	5.7%	7.0%	5.0%
FARM PROPRIETORS INCOME												
Idaho (Millions)	585	941	563	283	273	585	634	652	556	603	528	629
% Ch	-79.7%	569.5%	-87.2%	-93.6%	-13.4%	2008.5%	38.0%	11.8%	-47.1%	38.3%	-41.2%	101.7%
National (Billions)	11	10	9	9	14	24	25	25	18	19	14	22
% Ch	-91.5%	-14.0%	-51.0%	4.7%	504.8%	830.1%	12.1%	-1.6%	-72.4%	24.3%	-73.2%	635.9%
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	3,330	3,386	3,409	3,458	3,515	3,563	3,671	3,742	3,815	3,948	4,036	4,103
% Ch	3.6%	6.9%	2.7%	5.9%	6.8%	5.6%	12.7%	8.0%	8.0%	14.7%	9.2%	6.8%
National (Billions)	751	759	762	768	780	802	827	840	854	883	889	911
% Ch	-1.4%	3.9%	1.6%	3.3%	6.6%	11.4%	13.4%	6.3%	6.9%	13.9%	3.1%	10.3%
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	6,177	6,218	6,096	6,010	6,053	5,985	5,972	6,116	6,195	6,256	6,286	6,785
% Ch	-0.9%	2.7%	-7.6%	-5.5%	2.9%	-4.4%	-0.9%	10.0%	5.3%	4.0%	1.9%	35.8%
National (Billions)	1,518	1,525	1,499	1,481	1,481	1,469	1,463	1,493	1,510	1,525	1,522	1,652
% Ch	-4.9%	2.0%	-6.6%	-4.9%	0.2%	-3.4%	-1.5%	8.4%	4.6%	4.0%	-0.9%	38.8%
OTHER LABOR INCOME												
Idaho (Millions)	3,857	3,973	4,045	4,114	4,202	4,218	4,284	4,327	4,487	4,607	4,668	4,691
% Ch	19.1%	12.6%	7.4%	7.0%	8.8%	1.5%	6.4%	4.1%	15.6%	11.1%	5.4%	2.0%
National (Billions)	692	724	741	762	783	799	818	836	857	870	882	893
% Ch	22.0%	20.0%	9.8%	11.9%	11.3%	8.6%	9.8%	9.1%	10.2%	6.7%	5.2%	5.2%
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	4,866	4,961	4,973	5,012	5,072	5,201	5,264	5,268	5,366	5,444	5,450	5,512
% Ch	5.9%	8.0%	1.0%	3.2%	4.9%	10.6%	4.9%	0.3%	7.7%	5.9%	0.4%	4.6%
National (Billions)	1,259	1,284	1,289	1,298	1,311	1,333	1,346	1,351	1,379	1,400	1,415	1,429
% Ch	7.2%	8.0%	1.6%	2.8%	4.2%	6.8%	4.0%	1.3%	8.6%	6.4%	4.4%	3.9%
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	2,781	2,798	2,811	2,823	2,876	2,866	2,891	2,909	3,011	3,085	3,130	3,159
% Ch	8.6%	2.5%	1.9%	1.7%	7.7%	-1.4%	3.5%	2.5%	14.8%	10.2%	6.0%	3.7%
National (Billions)	362	364	364	364	372	375	378	382	392	397	403	407
% Ch	6.4%	1.9%	-0.4%	0.1%	8.6%	3.3%	3.8%	4.0%	11.3%	4.7%	6.2%	4.2%
RESIDENCE ADJUSTMENT												
Idaho (Millions)	532	536	539	536	531	551	566	554	555	574	582	563
% Ch	3.1%	3.0%	2.3%	-2.2%	-3.7%	15.9%	11.3%	-8.2%	0.7%	14.4%	5.7%	-12.2%

National Variables Forecast by Global Insight
Forecast Begins the FOURTH Quarter of 2004

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
APRIL 2005**

PERSONAL INCOME -- CURR \$\$

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	19,322	19,605	19,903	20,231	20,507	20,737	21,018	21,311	21,649	21,946	22,259	22,572
% Ch	5.0%	6.0%	6.2%	6.8%	5.6%	4.6%	5.5%	5.7%	6.5%	5.6%	5.8%	5.7%
National (Billions)	5,549	5,635	5,717	5,796	5,879	5,962	6,045	6,127	6,213	6,298	6,379	6,462
% Ch	6.0%	6.3%	6.0%	5.6%	5.9%	5.7%	5.7%	5.5%	5.8%	5.6%	5.3%	5.3%
FARM PROPRIETORS INCOME												
Idaho (Millions)	548	568	635	627	638	680	676	648	711	704	717	714
% Ch	-42.4%	15.0%	56.2%	-4.8%	7.2%	28.9%	-2.3%	-15.2%	44.9%	-4.1%	7.8%	-1.6%
National (Billions)	25	24	23	21	21	21	19	17	17	17	18	18
% Ch	57.5%	-18.4%	-13.1%	-25.4%	-10.0%	-0.3%	-28.0%	-39.3%	10.6%	-5.2%	14.4%	-1.9%
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	4,251	4,328	4,376	4,424	4,481	4,545	4,610	4,677	4,744	4,817	4,882	4,949
% Ch	15.3%	7.4%	4.5%	4.5%	5.2%	5.8%	5.9%	6.0%	5.8%	6.3%	5.5%	5.6%
National (Billions)	944	961	971	981	993	1,006	1,020	1,035	1,049	1,065	1,078	1,093
% Ch	15.3%	7.1%	4.2%	4.2%	5.0%	5.5%	5.6%	5.8%	5.6%	6.1%	5.3%	5.4%
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	6,449	6,561	6,662	6,729	6,780	6,838	6,889	6,951	7,040	7,128	7,236	7,351
% Ch	-18.4%	7.2%	6.3%	4.1%	3.1%	3.4%	3.0%	3.6%	5.2%	5.1%	6.2%	6.5%
National (Billions)	1,568	1,597	1,627	1,647	1,662	1,676	1,690	1,707	1,732	1,755	1,783	1,812
% Ch	-18.7%	7.7%	7.6%	5.0%	3.6%	3.6%	3.3%	4.1%	5.9%	5.5%	6.5%	6.7%
OTHER LABOR INCOME												
Idaho (Millions)	4,781	4,840	4,906	4,979	5,032	5,080	5,136	5,175	5,220	5,286	5,349	5,410
% Ch	7.9%	5.0%	5.6%	6.1%	4.3%	3.9%	4.5%	3.0%	3.6%	5.2%	4.8%	4.7%
National (Billions)	909	916	928	939	949	960	969	978	981	992	1,002	1,012
% Ch	7.5%	3.0%	5.4%	5.0%	4.3%	4.4%	4.0%	3.8%	1.2%	4.8%	4.0%	4.0%
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	5,644	5,670	5,719	5,781	5,966	6,082	6,214	6,298	6,419	6,513	6,613	6,711
% Ch	9.9%	1.8%	3.5%	4.4%	13.4%	8.0%	8.9%	5.6%	7.9%	6.0%	6.3%	6.0%
National (Billions)	1,462	1,468	1,479	1,493	1,539	1,568	1,600	1,620	1,649	1,672	1,696	1,719
% Ch	9.7%	1.5%	3.1%	4.0%	12.8%	7.6%	8.4%	5.2%	7.2%	5.7%	5.9%	5.7%
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	3,231	3,265	3,298	3,351	3,438	3,470	3,517	3,567	3,662	3,698	3,739	3,789
% Ch	9.5%	4.2%	4.2%	6.6%	10.8%	3.8%	5.5%	5.8%	11.1%	4.0%	4.4%	5.5%
National (Billions)	417	421	425	430	442	447	452	458	469	473	478	483
% Ch	10.0%	4.2%	3.6%	5.3%	10.9%	4.6%	5.3%	5.3%	9.9%	3.7%	3.6%	4.8%
RESIDENCE ADJUSTMENT												
Idaho (Millions)	566	569	573	577	580	581	583	587	591	595	599	602
% Ch	2.2%	2.0%	2.4%	3.1%	1.8%	0.7%	1.9%	2.2%	3.3%	2.3%	2.6%	2.6%

IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
APRIL 2005

EMPLOYMENT

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	563,606	567,411	568,934	572,072	572,662	570,221	571,785	575,356	579,966	586,622	589,520	591,575
% Ch	-0.8%	2.7%	1.1%	2.2%	0.4%	-1.7%	1.1%	2.5%	3.2%	4.7%	2.0%	1.4%
National (Thousands)	130,500	130,346	130,274	130,262	130,093	129,845	129,890	130,168	130,541	131,325	131,731	132,302
% Ch	-1.3%	-0.5%	-0.2%	0.0%	-0.5%	-0.8%	0.1%	0.9%	1.2%	2.4%	1.2%	1.7%
GOODS PRODUCING SECTOR												
Idaho	104,349	105,015	105,255	105,439	103,905	101,734	101,622	102,205	103,739	105,542	105,237	105,692
% Ch	-6.8%	2.6%	0.9%	0.7%	-5.7%	-8.1%	-0.4%	2.3%	6.1%	7.1%	-1.2%	1.7%
National (Thousands)	22,879	22,624	22,457	22,258	22,036	21,828	21,700	21,684	21,725	21,868	21,932	22,000
% Ch	-5.8%	-4.4%	-2.9%	-3.5%	-3.9%	-3.7%	-2.3%	-0.3%	0.7%	2.7%	1.2%	1.3%
MANUFACTURING												
Idaho	66,810	66,864	66,891	66,648	65,397	63,813	63,262	62,984	63,189	63,912	63,457	63,438
% Ch	-5.4%	0.3%	0.2%	-1.4%	-7.3%	-9.3%	-3.4%	-1.7%	1.3%	4.7%	-2.8%	-0.1%
National (Thousands)	15,584	15,413	15,258	15,057	14,857	14,624	14,446	14,383	14,353	14,407	14,421	14,406
% Ch	-7.9%	-4.3%	-4.0%	-5.2%	-5.2%	-6.1%	-4.8%	-1.7%	-0.8%	1.5%	0.4%	-0.4%
DURABLE MANUFACTURING												
Idaho	42,268	42,304	42,399	42,305	41,076	39,782	39,403	39,548	39,978	40,852	40,588	40,773
% Ch	-5.9%	0.3%	0.9%	-0.9%	-11.1%	-12.0%	-3.7%	1.5%	4.4%	9.0%	-2.6%	1.8%
National (Thousands)	9,731	9,616	9,506	9,360	9,209	9,053	8,940	8,924	8,932	8,988	9,017	9,024
% Ch	-9.4%	-4.6%	-4.5%	-6.0%	-6.3%	-6.6%	-4.9%	-0.7%	0.3%	2.5%	1.3%	0.3%
LOGGING & WOOD PRODUCTS												
Idaho	9,487	9,490	9,649	9,611	9,348	8,941	8,884	9,043	9,256	9,470	9,299	9,260
% Ch	-1.3%	0.1%	6.9%	-1.6%	-10.5%	-16.3%	-2.5%	7.4%	9.8%	9.6%	-7.0%	-1.7%
National (Thousands)	633	628	625	617	611	606	603	608	610	616	618	622
% Ch	-2.0%	-3.1%	-2.0%	-4.9%	-3.9%	-3.3%	-1.9%	3.9%	1.1%	3.9%	1.4%	2.2%
METAL FABRICATION												
Idaho	3,562	3,640	3,686	3,653	3,619	3,532	3,469	3,526	3,590	3,633	3,670	3,597
% Ch	-14.8%	9.0%	5.2%	-3.5%	-3.7%	-9.2%	-7.0%	6.8%	7.5%	4.8%	4.2%	-7.8%
National (Thousands)	1,568	1,555	1,546	1,526	1,501	1,480	1,465	1,468	1,477	1,494	1,506	1,512
% Ch	-8.9%	-3.1%	-2.4%	-5.0%	-6.3%	-5.5%	-4.1%	0.8%	2.5%	4.7%	3.1%	1.5%
MACHINERY												
Idaho	2,808	2,832	2,867	2,818	2,703	2,655	2,598	2,572	2,560	2,572	2,571	2,593
% Ch	1.6%	3.4%	5.1%	-6.7%	-15.3%	-7.0%	-8.3%	-4.0%	-1.8%	1.8%	-0.1%	3.5%
National (Thousands)	1,259	1,239	1,219	1,199	1,178	1,153	1,135	1,132	1,130	1,141	1,149	1,147
% Ch	-11.1%	-6.2%	-6.3%	-6.4%	-6.9%	-8.3%	-6.2%	-1.1%	-0.6%	3.7%	3.0%	-0.7%
COMPUTER & ELECTRONICS												
Idaho	18,115	17,987	17,830	17,770	16,816	16,182	16,181	15,988	16,160	16,524	16,209	16,240
% Ch	-6.1%	-2.8%	-3.4%	-1.3%	-19.8%	-14.2%	0.0%	-4.7%	4.4%	9.3%	-7.4%	0.8%
National (Thousands)	1,571	1,530	1,485	1,444	1,400	1,364	1,335	1,322	1,319	1,326	1,333	1,328
% Ch	-14.7%	-10.0%	-11.3%	-10.6%	-11.6%	-9.7%	-8.3%	-3.8%	-1.0%	2.2%	2.3%	-1.6%
OTHER DURABLES												
Idaho	8,296	8,355	8,366	8,453	8,590	8,471	8,272	8,419	8,412	8,653	8,838	9,083
% Ch	-8.7%	2.9%	0.5%	4.2%	6.6%	-5.4%	-9.1%	7.3%	-0.4%	12.0%	8.8%	11.5%
National (Thousands)	4,701	4,664	4,632	4,574	4,519	4,449	4,402	4,394	4,395	4,411	4,411	4,416
% Ch	-8.1%	-3.1%	-2.7%	-4.9%	-4.7%	-6.0%	-4.2%	-0.8%	0.2%	1.5%	-0.1%	0.5%

National Variables Forecast by Global Insight
Forecast Begins the FOURTH Quarter of 2004

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
APRIL 2005**

EMPLOYMENT

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	593,524	596,522	599,511	601,851	604,414	606,723	609,528	612,364	615,493	618,161	620,969	623,768
% Ch	1.3%	2.0%	2.0%	1.6%	1.7%	1.5%	1.9%	1.9%	2.1%	1.7%	1.8%	1.8%
National (Thousands)	132,822	133,437	134,081	134,604	134,998	135,475	135,873	136,171	136,448	136,786	137,023	137,243
% Ch	1.6%	1.9%	1.9%	1.6%	1.2%	1.4%	1.2%	0.9%	0.8%	1.0%	0.7%	0.6%
GOODS PRODUCING SECTOR												
Idaho	106,006	106,176	106,092	105,445	104,930	104,360	103,975	103,826	103,787	103,540	103,413	103,311
% Ch	1.2%	0.6%	-0.3%	-2.4%	-1.9%	-2.2%	-1.5%	-0.6%	-0.1%	-1.0%	-0.5%	-0.4%
National (Thousands)	22,048	22,120	22,194	22,266	22,296	22,327	22,343	22,355	22,369	22,389	22,384	22,384
% Ch	0.9%	1.3%	1.3%	1.3%	0.5%	0.6%	0.3%	0.2%	0.2%	0.4%	-0.1%	0.0%
MANUFACTURING												
Idaho	63,586	63,735	63,924	63,986	64,002	64,015	64,197	64,490	64,802	64,867	65,055	65,180
% Ch	0.9%	0.9%	1.2%	0.4%	0.1%	0.1%	1.1%	1.8%	2.0%	0.4%	1.2%	0.8%
National (Thousands)	14,397	14,399	14,407	14,457	14,484	14,495	14,500	14,514	14,541	14,562	14,553	14,534
% Ch	-0.2%	0.1%	0.2%	1.4%	0.7%	0.3%	0.1%	0.4%	0.7%	0.6%	-0.2%	-0.5%
DURABLE MANUFACTURING												
Idaho	40,867	40,952	41,082	41,069	41,053	41,032	41,166	41,377	41,617	41,621	41,769	41,861
% Ch	0.9%	0.8%	1.3%	-0.1%	-0.2%	-0.2%	1.3%	2.1%	2.3%	0.0%	1.4%	0.9%
National (Thousands)	9,031	9,050	9,057	9,099	9,132	9,154	9,165	9,176	9,202	9,227	9,227	9,221
% Ch	0.3%	0.8%	0.3%	1.9%	1.5%	1.0%	0.5%	0.5%	1.2%	1.1%	0.0%	-0.3%
LOGGING & WOOD PRODUCTS												
Idaho	9,294	9,290	9,297	9,133	9,012	8,928	8,848	8,803	8,793	8,680	8,578	8,490
% Ch	1.5%	-0.2%	0.3%	-6.9%	-5.2%	-3.7%	-3.5%	-2.0%	-0.4%	-5.1%	-4.6%	-4.0%
National (Thousands)	625	620	611	600	589	578	567	557	550	546	541	537
% Ch	2.5%	-3.3%	-5.6%	-7.0%	-7.4%	-7.3%	-7.5%	-6.9%	-4.6%	-3.5%	-3.5%	-2.7%
METAL FABRICATION												
Idaho	3,601	3,616	3,636	3,660	3,681	3,698	3,713	3,741	3,763	3,784	3,805	3,827
% Ch	0.5%	1.6%	2.3%	2.6%	2.4%	1.9%	1.6%	3.0%	2.4%	2.2%	2.3%	2.3%
National (Thousands)	1,516	1,520	1,521	1,533	1,550	1,565	1,578	1,591	1,606	1,621	1,631	1,640
% Ch	1.1%	1.1%	0.4%	3.2%	4.3%	4.1%	3.4%	3.2%	3.8%	3.9%	2.4%	2.2%
MACHINERY												
Idaho	2,624	2,644	2,663	2,682	2,708	2,741	2,772	2,800	2,820	2,837	2,848	2,846
% Ch	4.8%	3.1%	2.8%	3.0%	3.9%	5.0%	4.5%	4.1%	3.0%	2.4%	1.5%	-0.3%
National (Thousands)	1,147	1,159	1,172	1,188	1,205	1,222	1,234	1,238	1,243	1,246	1,245	1,240
% Ch	0.1%	4.2%	4.7%	5.7%	5.8%	5.8%	3.7%	1.5%	1.5%	1.1%	-0.3%	-1.7%
COMPUTER & ELECTRONICS												
Idaho	16,244	16,301	16,363	16,427	16,444	16,425	16,567	16,751	16,951	17,022	17,215	17,337
% Ch	0.1%	1.4%	1.5%	1.6%	0.4%	-0.5%	3.5%	4.5%	4.9%	1.7%	4.6%	2.9%
National (Thousands)	1,329	1,344	1,353	1,359	1,349	1,337	1,336	1,352	1,371	1,384	1,385	1,383
% Ch	0.4%	4.6%	2.8%	1.6%	-2.7%	-3.6%	-0.3%	5.0%	5.6%	3.7%	0.3%	-0.3%
OTHER DURABLES												
Idaho	9,102	9,101	9,123	9,168	9,208	9,239	9,266	9,282	9,289	9,298	9,324	9,361
% Ch	0.9%	-0.1%	1.0%	2.0%	1.7%	1.4%	1.2%	0.7%	0.3%	0.4%	1.1%	1.6%
National (Thousands)	4,414	4,407	4,398	4,418	4,439	4,451	4,450	4,438	4,432	4,431	4,426	4,420
% Ch	-0.3%	-0.6%	-0.7%	1.8%	1.9%	1.1%	-0.1%	-1.1%	-0.5%	-0.2%	-0.4%	-0.5%

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IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
APRIL 2005

EMPLOYMENT

MANUFACTURING (continued)

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NONDURABLE MANUFACTURING												
Idaho	24,542	24,561	24,492	24,343	24,321	24,032	23,859	23,436	23,211	23,060	22,870	22,665
% Ch	-4.6%	0.3%	-1.1%	-2.4%	-0.4%	-4.7%	-2.8%	-6.9%	-3.8%	-2.6%	-3.3%	-3.5%
National (Thousands)	5,854	5,797	5,752	5,697	5,648	5,572	5,506	5,459	5,421	5,419	5,404	5,381
% Ch	-5.4%	-3.8%	-3.0%	-3.7%	-3.4%	-5.3%	-4.6%	-3.4%	-2.7%	-0.2%	-1.1%	-1.6%
FOOD PROCESSING												
Idaho	16,437	16,410	16,293	16,278	16,155	15,953	15,904	15,589	15,206	14,977	14,702	14,335
% Ch	3.3%	-0.6%	-2.8%	-0.4%	-3.0%	-4.9%	-1.2%	-7.7%	-9.5%	-5.9%	-7.1%	-9.6%
National (Thousands)	1,538	1,529	1,515	1,520	1,522	1,516	1,518	1,512	1,499	1,500	1,499	1,495
% Ch	-0.9%	-2.3%	-3.6%	1.3%	0.7%	-1.7%	0.5%	-1.6%	-3.3%	0.4%	-0.4%	-0.9%
PRINTING												
Idaho	2,029	2,011	2,047	2,044	2,109	2,085	1,998	1,928	1,906	1,909	1,952	1,950
% Ch	-13.5%	-3.4%	7.4%	-0.6%	13.2%	-4.5%	-15.6%	-13.2%	-4.6%	0.6%	9.2%	-0.4%
National (Thousands)	726	711	700	690	686	683	679	673	668	667	664	661
% Ch	-8.1%	-8.4%	-6.0%	-5.5%	-2.1%	-2.0%	-2.5%	-3.2%	-3.2%	-0.4%	-2.1%	-1.5%
CHEMICALS												
Idaho	1,973	1,944	1,888	1,894	1,859	1,824	1,833	1,805	1,850	1,879	1,901	1,852
% Ch	-40.1%	-5.7%	-11.0%	1.2%	-7.2%	-7.2%	1.8%	-5.9%	10.3%	6.5%	4.6%	-9.9%
National (Thousands)	935	928	925	921	919	909	903	894	889	890	886	882
% Ch	-4.1%	-2.7%	-1.4%	-1.6%	-1.0%	-4.2%	-2.9%	-4.0%	-2.0%	0.2%	-1.4%	-1.7%
OTHER NONDURABLES												
Idaho	4,104	4,196	4,263	4,127	4,198	4,170	4,124	4,114	4,250	4,294	4,315	4,529
% Ch	-7.0%	9.3%	6.6%	-12.2%	7.1%	-2.7%	-4.3%	-0.9%	13.8%	4.3%	1.9%	21.4%
National (Thousands)	2,655	2,629	2,613	2,567	2,520	2,464	2,407	2,380	2,365	2,362	2,355	2,343
% Ch	-7.6%	-3.8%	-2.5%	-6.9%	-7.0%	-8.7%	-8.9%	-4.4%	-2.5%	-0.6%	-1.1%	-2.1%
MINING												
Idaho	1,792	1,731	1,757	1,754	1,737	1,773	1,840	1,788	1,790	1,937	2,004	1,950
% Ch	8.7%	-13.1%	6.3%	-0.8%	-3.7%	8.4%	15.9%	-10.8%	0.5%	37.1%	14.6%	-10.4%
National (Thousands)	523	513	507	506	503	501	501	505	511	522	528	532
% Ch	-3.7%	-7.5%	-4.4%	-0.8%	-1.9%	-2.2%	0.6%	3.0%	4.7%	9.1%	4.9%	2.4%
CONSTRUCTION												
Idaho	35,746	36,420	36,607	37,038	36,770	36,148	36,521	37,432	38,761	39,694	39,776	40,304
% Ch	-10.0%	7.8%	2.1%	4.8%	-2.9%	-6.6%	4.2%	10.4%	15.0%	10.0%	0.8%	5.4%
National (Thousands)	6,772	6,699	6,692	6,695	6,675	6,703	6,753	6,797	6,861	6,939	6,983	7,063
% Ch	-1.0%	-4.2%	-0.4%	0.2%	-1.2%	1.7%	3.0%	2.6%	3.8%	4.6%	2.5%	4.7%
NONGOODS PRODUCING												
Idaho	459,258	462,396	463,679	466,633	468,757	468,487	470,163	473,151	476,227	481,080	484,283	485,883
% Ch	0.6%	2.8%	1.1%	2.6%	1.8%	-0.2%	1.4%	2.6%	2.6%	4.1%	2.7%	1.3%
National (Thousands)	107,621	107,721	107,817	108,004	108,057	108,017	108,190	108,483	108,816	109,457	109,799	110,302
% Ch	-0.3%	0.4%	0.4%	0.7%	0.2%	-0.1%	0.6%	1.1%	1.2%	2.4%	1.3%	1.8%
SERVICES												
Idaho	250,018	252,967	254,501	256,981	258,541	258,599	260,490	262,379	264,880	268,496	270,067	271,813
% Ch	-0.3%	4.8%	2.4%	4.0%	2.4%	0.1%	3.0%	2.9%	3.9%	5.6%	2.4%	2.6%
National (Thousands)	65,484	65,504	65,612	65,807	65,876	65,908	66,112	66,399	66,653	67,168	67,455	67,849
% Ch	-0.3%	0.1%	0.7%	1.2%	0.4%	0.2%	1.2%	1.7%	1.5%	3.1%	1.7%	2.4%
INFORMATION												
Idaho	9,280	9,194	9,000	9,151	9,188	9,170	9,108	9,261	9,390	9,698	10,237	10,104
% Ch	-6.6%	-3.7%	-8.2%	6.9%	1.6%	-0.8%	-2.7%	6.9%	5.7%	13.8%	24.2%	-5.1%
National (Thousands)	3,473	3,416	3,366	3,319	3,240	3,194	3,167	3,151	3,139	3,146	3,135	3,130
% Ch	-6.9%	-6.4%	-5.8%	-5.4%	-9.1%	-5.6%	-3.3%	-2.0%	-1.5%	0.9%	-1.4%	-0.6%
FINANCIAL ACTIVITIES												
Idaho	25,585	25,667	25,883	26,165	26,545	26,838	27,123	27,276	27,480	27,708	27,941	28,330
% Ch	5.9%	1.3%	3.4%	4.4%	5.9%	4.5%	4.3%	2.3%	3.0%	3.4%	3.4%	5.7%
National (Thousands)	7,834	7,825	7,839	7,892	7,933	7,980	8,000	7,989	7,997	8,036	8,061	8,109
% Ch	-0.1%	-0.5%	0.7%	2.7%	2.1%	2.4%	1.0%	-0.6%	0.4%	2.0%	1.3%	2.4%

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EMPLOYMENT

MANUFACTURING (continued)

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NONDURABLE MANUFACTURING												
Idaho	22,719	22,784	22,843	22,917	22,949	22,983	23,030	23,112	23,185	23,246	23,285	23,320
% Ch	1.0%	1.1%	1.0%	1.3%	0.6%	0.6%	0.8%	1.4%	1.3%	1.1%	0.7%	0.6%
National (Thousands)	5,366	5,349	5,350	5,358	5,352	5,341	5,335	5,338	5,338	5,335	5,326	5,314
% Ch	-1.2%	-1.2%	0.1%	0.6%	-0.5%	-0.8%	-0.4%	0.2%	0.1%	-0.3%	-0.6%	-0.9%
FOOD PROCESSING												
Idaho	14,479	14,514	14,554	14,614	14,631	14,647	14,678	14,741	14,798	14,843	14,871	14,893
% Ch	4.1%	1.0%	1.1%	1.6%	0.5%	0.4%	0.8%	1.7%	1.6%	1.2%	0.7%	0.6%
National (Thousands)	1,503	1,503	1,507	1,512	1,514	1,515	1,519	1,525	1,531	1,535	1,537	1,540
% Ch	2.1%	0.0%	0.9%	1.4%	0.5%	0.5%	0.8%	1.6%	1.5%	1.1%	0.7%	0.6%
PRINTING												
Idaho	1,939	1,934	1,931	1,929	1,926	1,925	1,925	1,926	1,926	1,927	1,926	1,925
% Ch	-2.2%	-0.9%	-0.7%	-0.5%	-0.6%	-0.2%	0.1%	0.1%	0.1%	0.1%	-0.1%	-0.3%
National (Thousands)	660	659	660	662	662	663	665	667	669	671	672	673
% Ch	-0.8%	-0.4%	0.5%	1.2%	0.5%	0.4%	0.9%	1.5%	1.4%	1.1%	0.5%	0.4%
CHEMICALS												
Idaho	1,850	1,842	1,836	1,826	1,815	1,804	1,793	1,782	1,771	1,759	1,746	1,731
% Ch	-0.4%	-1.8%	-1.3%	-2.2%	-2.2%	-2.5%	-2.4%	-2.3%	-2.4%	-2.7%	-3.0%	-3.3%
National (Thousands)	874	869	871	873	875	874	873	873	871	869	866	862
% Ch	-3.8%	-2.2%	0.6%	1.2%	0.8%	-0.5%	-0.2%	-0.3%	-0.6%	-1.3%	-1.2%	-1.7%
OTHER NONDURABLES												
Idaho	4,451	4,494	4,522	4,549	4,577	4,607	4,635	4,663	4,689	4,717	4,743	4,771
% Ch	-6.7%	3.9%	2.5%	2.4%	2.5%	2.7%	2.4%	2.5%	2.3%	2.4%	2.2%	2.4%
National (Thousands)	2,329	2,318	2,313	2,311	2,301	2,289	2,279	2,273	2,267	2,260	2,251	2,239
% Ch	-2.3%	-1.9%	-0.8%	-0.4%	-1.8%	-2.1%	-1.7%	-1.0%	-1.1%	-1.2%	-1.7%	-2.1%
MINING												
Idaho	1,955	1,934	1,907	1,875	1,832	1,766	1,725	1,702	1,653	1,610	1,554	1,499
% Ch	1.0%	-4.1%	-5.6%	-6.5%	-8.8%	-13.6%	-9.0%	-5.4%	-10.9%	-10.0%	-13.2%	-13.6%
National (Thousands)	541	555	559	560	553	544	540	535	527	521	513	506
% Ch	7.0%	10.7%	3.5%	0.4%	-4.8%	-6.3%	-3.2%	-3.7%	-5.3%	-4.9%	-5.7%	-5.3%
CONSTRUCTION												
Idaho	40,466	40,507	40,261	39,584	39,096	38,579	38,054	37,635	37,332	37,063	36,805	36,632
% Ch	1.6%	0.4%	-2.4%	-6.6%	-4.8%	-5.2%	-5.3%	-4.3%	-3.2%	-2.9%	-2.8%	-1.9%
National (Thousands)	7,111	7,166	7,228	7,249	7,259	7,287	7,303	7,307	7,301	7,306	7,318	7,343
% Ch	2.7%	3.2%	3.5%	1.2%	0.6%	1.6%	0.8%	0.2%	-0.3%	0.3%	0.6%	1.4%
NONGOODS PRODUCING												
Idaho	487,518	490,345	493,419	496,406	499,484	502,363	505,553	508,538	511,705	514,621	517,556	520,457
% Ch	1.4%	2.3%	2.5%	2.4%	2.5%	2.3%	2.6%	2.4%	2.5%	2.3%	2.3%	2.3%
National (Thousands)	110,774	111,317	111,887	112,338	112,702	113,148	113,530	113,815	114,079	114,397	114,638	114,860
% Ch	1.7%	2.0%	2.1%	1.6%	1.3%	1.6%	1.4%	1.0%	0.9%	1.1%	0.8%	0.8%
SERVICES												
Idaho	273,256	275,420	277,754	280,012	282,360	284,652	287,023	289,286	291,663	293,836	296,026	298,152
% Ch	2.1%	3.2%	3.4%	3.3%	3.4%	3.3%	3.4%	3.2%	3.3%	3.0%	3.0%	2.9%
National (Thousands)	68,246	68,665	69,125	69,501	69,809	70,141	70,478	70,748	70,967	71,202	71,427	71,655
% Ch	2.4%	2.5%	2.7%	2.2%	1.8%	1.9%	1.9%	1.5%	1.2%	1.3%	1.3%	1.3%
INFORMATION												
Idaho	10,199	10,305	10,402	10,508	10,608	10,703	10,781	10,851	10,917	10,974	11,026	11,075
% Ch	3.8%	4.2%	3.8%	4.1%	3.9%	3.6%	2.9%	2.6%	2.4%	2.1%	1.9%	1.8%
National (Thousands)	3,120	3,151	3,141	3,134	3,114	3,122	3,155	3,170	3,180	3,189	3,200	3,213
% Ch	-1.3%	4.0%	-1.2%	-0.9%	-2.6%	1.0%	4.4%	1.9%	1.2%	1.2%	1.3%	1.6%
FINANCIAL ACTIVITIES												
Idaho	28,552	28,759	28,944	29,107	29,268	29,431	29,591	29,749	29,899	30,043	30,182	30,318
% Ch	3.2%	2.9%	2.6%	2.3%	2.2%	2.2%	2.2%	2.1%	2.0%	1.9%	1.9%	1.8%
National (Thousands)	8,164	8,206	8,194	8,208	8,218	8,209	8,207	8,202	8,204	8,201	8,201	8,213
% Ch	2.7%	2.1%	-0.6%	0.7%	0.5%	-0.4%	-0.1%	-0.2%	0.1%	-0.2%	0.0%	0.6%

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**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
APRIL 2005**

EMPLOYMENT

SERVICES (Continued)												
	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TRANS., WAREHOUSING, UTILITIES												
Idaho	18,600	18,686	18,671	18,738	19,001	18,631	18,717	18,688	18,929	19,096	18,871	18,802
% Ch	-8.2%	1.9%	-0.3%	1.4%	5.7%	-7.6%	1.9%	-0.6%	5.3%	3.6%	-4.6%	-1.5%
National (Thousands)	4,821	4,822	4,830	4,814	4,793	4,761	4,742	4,753	4,777	4,808	4,835	4,856
% Ch	-3.1%	0.2%	0.7%	-1.4%	-1.8%	-2.6%	-1.6%	0.9%	2.1%	2.6%	2.2%	1.8%
PROFESSIONAL & BUSINESS												
Idaho	67,353	68,927	69,447	70,293	70,037	69,731	69,831	70,368	71,389	73,142	73,824	74,431
% Ch	-1.0%	9.7%	3.1%	5.0%	-1.5%	-1.7%	0.6%	3.1%	5.9%	10.2%	3.8%	3.3%
National (Thousands)	16,015	16,010	15,963	15,920	15,915	15,913	16,012	16,100	16,158	16,368	16,479	16,633
% Ch	-2.8%	-0.1%	-1.2%	-1.1%	-0.1%	-0.1%	2.5%	2.2%	1.4%	5.3%	2.7%	3.8%
EDUCATION & HEALTH												
Idaho	58,930	59,534	60,046	60,736	61,499	62,170	63,003	63,545	63,920	65,061	65,605	65,866
% Ch	4.8%	4.2%	3.5%	4.7%	5.1%	4.4%	5.5%	3.5%	2.4%	7.3%	3.4%	1.6%
National (Thousands)	16,009	16,144	16,286	16,368	16,458	16,566	16,609	16,716	16,795	16,907	16,997	17,110
% Ch	3.6%	3.4%	3.6%	2.0%	2.2%	2.7%	1.0%	2.6%	1.9%	2.7%	2.2%	2.7%
LEISURE & HOSPITALITY												
Idaho	52,546	53,148	53,502	53,913	54,175	53,986	54,518	54,923	55,670	55,447	55,248	55,926
% Ch	-2.5%	4.7%	2.7%	3.1%	2.0%	-1.4%	4.0%	3.0%	5.5%	-1.6%	-1.4%	5.0%
National (Thousands)	11,977	11,919	11,959	12,096	12,137	12,095	12,182	12,288	12,377	12,468	12,509	12,569
% Ch	-0.3%	-1.9%	1.4%	4.6%	1.4%	-1.4%	2.9%	3.5%	2.9%	3.0%	1.3%	1.9%
OTHER SERVICES												
Idaho	17,724	17,812	17,952	17,986	18,095	18,074	18,190	18,318	18,102	18,344	18,341	18,354
% Ch	-3.9%	2.0%	3.2%	0.7%	2.5%	-0.5%	2.6%	2.8%	-4.6%	5.5%	-0.1%	0.3%
National (Thousands)	5,355	5,367	5,369	5,397	5,401	5,399	5,399	5,401	5,409	5,435	5,438	5,441
% Ch	3.0%	0.9%	0.2%	2.1%	0.3%	-0.1%	0.0%	0.1%	0.6%	1.9%	0.2%	0.2%
TRADE												
Idaho	97,365	97,342	97,469	97,171	97,479	96,938	96,604	97,418	97,920	98,851	99,526	98,965
% Ch	1.7%	-0.1%	0.5%	-1.2%	1.3%	-2.2%	-1.4%	3.4%	2.1%	3.9%	2.8%	-2.2%
National (Thousands)	20,732	20,707	20,658	20,612	20,556	20,518	20,508	20,531	20,608	20,701	20,708	20,751
% Ch	-2.2%	-0.5%	-0.9%	-0.9%	-1.1%	-0.7%	-0.2%	0.4%	1.5%	1.8%	0.1%	0.8%
RETAIL TRADE												
Idaho	72,451	72,454	72,453	72,202	72,805	72,247	72,413	72,990	73,003	73,793	73,669	73,402
% Ch	3.9%	0.0%	0.0%	-1.4%	3.4%	-3.0%	0.9%	3.2%	0.1%	4.4%	-0.7%	-1.4%
National (Thousands)	15,060	15,053	15,010	14,975	14,929	14,902	14,916	14,935	14,987	15,050	15,043	15,072
% Ch	-2.0%	-0.2%	-1.1%	-0.9%	-1.2%	-0.7%	0.4%	0.5%	1.4%	1.7%	-0.2%	0.8%
WHOLESALE TRADE												
Idaho	24,914	24,888	25,016	24,969	24,675	24,691	24,190	24,428	24,917	25,058	25,857	25,564
% Ch	-4.3%	-0.4%	2.1%	-0.7%	-4.6%	0.3%	-7.9%	4.0%	8.3%	2.3%	13.4%	-4.5%
National (Thousands)	5,673	5,654	5,648	5,637	5,626	5,616	5,592	5,597	5,621	5,651	5,665	5,679
% Ch	-2.6%	-1.3%	-0.4%	-0.8%	-0.7%	-0.7%	-1.7%	0.3%	1.7%	2.2%	1.0%	1.0%
STATE & LOCAL GOVERNMENT												
Idaho	98,568	98,742	98,052	98,590	98,965	99,223	99,427	100,008	100,288	100,516	101,241	101,865
% Ch	2.1%	0.7%	-2.8%	2.2%	1.5%	1.0%	0.8%	2.4%	1.1%	0.9%	2.9%	2.5%
National (Thousands)	18,650	18,741	18,783	18,805	18,836	18,822	18,814	18,818	18,825	18,853	18,907	18,983
% Ch	1.9%	2.0%	0.9%	0.5%	0.7%	-0.3%	-0.2%	0.1%	0.2%	0.6%	1.2%	1.6%
EDUCATION												
Idaho	49,697	50,096	49,391	49,439	49,911	49,849	49,563	50,344	50,185	50,209	50,610	51,647
% Ch	0.3%	3.3%	-5.5%	0.4%	3.9%	-0.5%	-2.3%	6.4%	-1.3%	0.2%	3.2%	8.4%
NONEDUCATION												
Idaho	48,872	48,646	48,661	49,150	49,054	49,373	49,864	49,664	50,103	50,307	50,631	50,218
% Ch	4.0%	-1.8%	0.1%	4.1%	-0.8%	2.6%	4.0%	-1.6%	3.6%	1.6%	2.6%	-3.2%
FEDERAL GOVERNMENT												
Idaho	13,306	13,345	13,657	13,891	13,772	13,727	13,643	13,346	13,139	13,218	13,449	13,240
% Ch	-2.6%	1.2%	9.7%	7.0%	-3.4%	-1.3%	-2.4%	-8.4%	-6.1%	2.4%	7.2%	-6.1%
National (Thousands)	2,754	2,769	2,763	2,781	2,790	2,770	2,755	2,736	2,730	2,735	2,729	2,719
% Ch	-0.3%	2.2%	-0.9%	2.6%	1.3%	-2.9%	-2.1%	-2.8%	-0.8%	0.7%	-0.9%	-1.4%

**National Variables Forecast by Global Insight
Forecast Begins the FOURTH Quarter of 2004**

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
APRIL 2005**

EMPLOYMENT

SERVICES (Continued)	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TRANS., WAREHOUSING, UTILITIES												
Idaho	18,902	18,986	19,081	19,162	19,266	19,361	19,451	19,534	19,631	19,728	19,830	19,939
% Ch	2.1%	1.8%	2.0%	1.7%	2.2%	2.0%	1.9%	1.7%	2.0%	2.0%	2.1%	2.2%
National (Thousands)	4,895	4,918	4,974	5,010	5,026	5,045	5,066	5,082	5,103	5,121	5,147	5,175
% Ch	3.2%	1.9%	4.7%	2.9%	1.3%	1.5%	1.7%	1.2%	1.6%	1.4%	2.1%	2.2%
PROFESSIONAL & BUSINESS												
Idaho	74,409	75,054	75,779	76,517	77,381	78,217	79,145	80,031	80,858	81,593	82,316	82,992
% Ch	-0.1%	3.5%	3.9%	4.0%	4.6%	4.4%	4.8%	4.6%	4.2%	3.7%	3.6%	3.3%
National (Thousands)	16,766	16,950	17,158	17,293	17,402	17,558	17,745	17,904	18,026	18,168	18,304	18,438
% Ch	3.2%	4.5%	5.0%	3.2%	2.6%	3.6%	4.3%	3.6%	2.8%	3.2%	3.0%	3.0%
EDUCATION & HEALTH												
Idaho	66,319	66,875	67,436	67,959	68,483	69,000	69,541	70,031	70,622	71,163	71,735	72,287
% Ch	2.8%	3.4%	3.4%	3.1%	3.1%	3.1%	3.2%	2.8%	3.4%	3.1%	3.3%	3.1%
National (Thousands)	17,202	17,257	17,341	17,402	17,493	17,590	17,658	17,702	17,715	17,773	17,807	17,875
% Ch	2.2%	1.3%	2.0%	1.4%	2.1%	2.2%	1.5%	1.0%	0.3%	1.3%	0.8%	1.5%
LEISURE & HOSPITALITY												
Idaho	56,470	57,006	57,554	58,090	58,575	59,060	59,545	60,030	60,578	61,063	61,548	62,033
% Ch	4.0%	3.8%	3.9%	3.8%	3.4%	3.4%	3.3%	3.3%	3.7%	3.2%	3.2%	3.2%
National (Thousands)	12,641	12,746	12,897	13,018	13,098	13,147	13,168	13,200	13,236	13,237	13,231	13,178
% Ch	2.3%	3.4%	4.8%	3.8%	2.5%	1.5%	0.6%	1.0%	1.1%	0.0%	-0.2%	-1.6%
OTHER SERVICES												
Idaho	18,406	18,435	18,557	18,669	18,779	18,878	18,968	19,060	19,158	19,271	19,388	19,508
% Ch	1.1%	0.6%	2.7%	2.4%	2.4%	2.1%	1.9%	1.9%	2.1%	2.4%	2.4%	2.5%
National (Thousands)	5,457	5,438	5,420	5,436	5,459	5,470	5,479	5,488	5,504	5,514	5,539	5,563
% Ch	1.2%	-1.4%	-1.3%	1.2%	1.7%	0.8%	0.7%	0.6%	1.2%	0.7%	1.8%	1.8%
TRADE												
Idaho	99,633	100,226	100,870	101,449	102,146	102,802	103,434	104,028	104,682	105,349	106,036	106,761
% Ch	2.7%	2.4%	2.6%	2.3%	2.8%	2.6%	2.5%	2.3%	2.5%	2.6%	2.6%	2.8%
National (Thousands)	20,798	20,893	20,956	20,997	21,040	21,099	21,130	21,150	21,169	21,226	21,225	21,205
% Ch	0.9%	1.8%	1.2%	0.8%	0.8%	1.1%	0.6%	0.4%	0.4%	1.1%	0.0%	-0.4%
RETAIL TRADE												
Idaho	73,922	74,387	74,890	75,344	75,887	76,399	76,892	77,358	77,868	78,389	78,924	79,488
% Ch	2.9%	2.5%	2.7%	2.4%	2.9%	2.7%	2.6%	2.4%	2.7%	2.7%	2.8%	2.9%
National (Thousands)	15,115	15,189	15,199	15,220	15,248	15,296	15,327	15,359	15,384	15,441	15,439	15,413
% Ch	1.2%	2.0%	0.3%	0.5%	0.8%	1.3%	0.8%	0.8%	0.6%	1.5%	-0.1%	-0.7%
WHOLESALE TRADE												
Idaho	25,710	25,839	25,980	26,106	26,259	26,404	26,542	26,671	26,814	26,961	27,112	27,273
% Ch	2.3%	2.0%	2.2%	1.9%	2.4%	2.1%	2.2%	2.0%	2.2%	2.2%	2.3%	2.4%
National (Thousands)	5,683	5,704	5,757	5,777	5,792	5,802	5,804	5,791	5,785	5,785	5,787	5,792
% Ch	0.2%	1.5%	3.8%	1.4%	1.0%	0.7%	0.1%	-0.9%	-0.4%	0.0%	0.1%	0.4%
STATE & LOCAL GOVERNMENT												
Idaho	101,530	101,613	101,715	101,874	101,918	101,873	102,078	102,223	102,373	102,463	102,537	102,598
% Ch	-1.3%	0.3%	0.4%	0.6%	0.2%	-0.2%	0.8%	0.6%	0.6%	0.4%	0.3%	0.2%
National (Thousands)	18,999	19,027	19,074	19,107	19,119	19,176	19,189	19,185	19,210	19,236	19,253	19,265
% Ch	0.3%	0.6%	1.0%	0.7%	0.3%	1.2%	0.3%	-0.1%	0.5%	0.5%	0.3%	0.3%
EDUCATION												
Idaho	51,309	51,372	51,451	51,565	51,604	51,561	51,758	51,916	52,029	52,110	52,186	52,255
% Ch	-2.6%	0.5%	0.6%	0.9%	0.3%	-0.3%	1.5%	1.2%	0.9%	0.6%	0.6%	0.5%
NONEDUCATION												
Idaho	50,221	50,241	50,264	50,309	50,314	50,311	50,320	50,308	50,344	50,353	50,351	50,343
% Ch	0.0%	0.2%	0.2%	0.4%	0.0%	0.0%	0.1%	-0.1%	0.3%	0.1%	0.0%	-0.1%
FEDERAL GOVERNMENT												
Idaho	13,100	13,087	13,079	13,070	13,059	13,037	13,018	13,000	12,987	12,972	12,957	12,946
% Ch	-4.2%	-0.4%	-0.2%	-0.3%	-0.4%	-0.7%	-0.6%	-0.6%	-0.4%	-0.5%	-0.5%	-0.3%
National (Thousands)	2,731	2,731	2,732	2,733	2,734	2,733	2,733	2,733	2,733	2,733	2,733	2,734
% Ch	1.8%	0.0%	0.1%	0.1%	0.2%	-0.1%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%

**National Variables Forecast by Global Insight
Forecast Begins the FOURTH Quarter of 2004**

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
APRIL 2005**

MISCELLANEOUS

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	103.470	103.853	104.280	104.786	105.490	105.780	106.158	106.586	107.314	108.169	108.551	109.115
% Ch	1.4%	1.5%	1.7%	2.0%	2.7%	1.1%	1.4%	1.6%	2.8%	3.2%	1.4%	2.1%
Consumption Expenditures	102.660	103.386	103.894	104.250	105.080	105.269	105.689	106.005	106.860	107.683	108.021	108.702
% Ch	0.9%	2.9%	2.0%	1.4%	3.2%	0.7%	1.6%	1.2%	3.3%	3.1%	1.3%	2.5%
Durable Goods	96.343	95.743	95.244	94.570	93.688	92.787	91.757	90.747	90.741	90.725	90.008	90.040
% Ch	-3.8%	-2.5%	-2.1%	-2.8%	-3.7%	-3.8%	-4.4%	-4.3%	0.0%	-0.1%	-3.1%	0.1%
Nondurable Goods	100.861	102.193	102.520	102.814	104.108	103.520	104.423	104.564	105.914	107.616	107.869	109.113
% Ch	0.0%	5.4%	1.3%	1.2%	5.1%	-2.2%	3.5%	0.5%	5.3%	6.6%	0.9%	4.7%
Services	104.963	105.693	106.524	107.153	108.158	108.993	109.529	110.266	111.085	111.667	112.314	112.873
% Ch	2.3%	2.8%	3.2%	2.4%	3.8%	3.1%	2.0%	2.7%	3.0%	2.1%	2.3%	2.0%
Consumer Price Index	1.781	1.795	1.804	1.814	1.832	1.834	1.844	1.848	1.866	1.886	1.894	1.910
% Ch	1.4%	3.3%	2.1%	2.1%	4.2%	0.4%	2.2%	0.9%	3.9%	4.4%	1.6%	3.6%

SELECTED INTEREST RATES

Federal Funds	1.7%	1.8%	1.7%	1.4%	1.3%	1.2%	1.0%	1.0%	1.0%	1.0%	1.4%	2.0%
NY Fed Discount	1.3%	1.3%	1.3%	1.0%	2.1%	2.2%	2.0%	2.0%	2.0%	2.0%	2.4%	2.9%
Prime	4.8%	4.8%	4.8%	4.5%	4.3%	4.2%	4.0%	4.0%	4.0%	4.0%	4.4%	4.9%
Existing Home Mortgage	6.9%	6.8%	6.4%	6.1%	5.9%	5.6%	5.7%	5.8%	5.6%	5.7%	5.8%	5.7%
U.S. Govt. 3-Month Bills	1.7%	1.7%	1.6%	1.4%	1.2%	1.0%	0.9%	0.9%	0.9%	1.1%	1.5%	2.0%
U.S. Govt. 6-Month Bills	1.8%	1.9%	1.6%	1.4%	1.2%	1.1%	1.0%	1.0%	1.0%	1.3%	1.7%	2.2%
U.S. Govt. 5-Year Notes	4.5%	4.4%	3.3%	3.0%	2.9%	2.6%	3.1%	3.3%	3.0%	3.7%	3.5%	3.5%
U.S. Govt. 10-Year Notes	5.1%	5.1%	4.3%	4.0%	3.9%	3.6%	4.2%	4.3%	4.0%	4.6%	4.3%	4.2%

SELECTED US PRODUCTION INDICES

Wood Products	103.1	103.8	102.6	100.8	99.9	98.9	100.8	104.0	104.0	105.2	104.6	105.5
% Ch	9.4%	2.9%	-4.7%	-6.8%	-3.3%	-4.0%	8.1%	13.0%	-0.1%	4.8%	-2.2%	3.5%
Computers & Electronic Products	216.6	218.0	223.5	230.7	240.4	245.7	255.9	264.1	271.8	284.1	295.5	302.8
% Ch	-3.2%	2.5%	10.6%	13.5%	17.9%	9.1%	17.6%	13.6%	12.1%	19.4%	16.9%	10.3%
Food	109.2	109.5	109.6	109.4	109.3	109.5	109.5	109.9	110.4	111.4	111.8	112.5
% Ch	4.9%	1.2%	0.2%	-0.6%	-0.2%	0.7%	0.0%	1.4%	1.9%	3.6%	1.4%	2.6%
Agricultural Chemicals	79.1	80.2	82.6	82.1	81.7	82.7	79.8	79.7	81.3	80.7	81.5	81.4
% Ch	-14.3%	5.9%	12.6%	-2.6%	-1.7%	4.7%	-13.1%	-0.3%	7.9%	-2.6%	3.7%	-0.3%
Metal Ore Mining	74.0	76.7	76.5	75.6	73.0	69.3	71.5	67.8	69.1	70.8	72.9	74.9
% Ch	-24.0%	15.5%	-1.1%	-4.5%	-13.1%	-18.9%	13.3%	-19.0%	7.7%	10.3%	12.6%	11.0%

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
APRIL 2005**

MISCELLANEOUS

	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4	Q1	2007 Q2	Q3	Q4
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	109.852	110.213	110.722	111.248	111.806	112.329	112.851	113.417	114.042	114.664	115.246	115.849
% Ch	2.7%	1.3%	1.9%	1.9%	2.0%	1.9%	1.9%	2.0%	2.2%	2.2%	2.0%	2.1%
Consumption Expenditures	109.262	109.587	110.018	110.484	110.926	111.442	111.978	112.560	113.095	113.703	114.270	114.902
% Ch	2.1%	1.2%	1.6%	1.7%	1.6%	1.9%	1.9%	2.1%	1.9%	2.2%	2.0%	2.2%
Durable Goods	90.528	90.497	90.474	90.361	90.260	90.142	90.014	89.911	89.807	89.710	89.611	89.522
% Ch	2.2%	-0.1%	-0.1%	-0.5%	-0.4%	-0.5%	-0.6%	-0.5%	-0.5%	-0.4%	-0.4%	-0.4%
Nondurable Goods	109.521	109.373	109.264	109.391	109.343	109.584	109.803	110.114	110.388	110.858	111.133	111.546
% Ch	1.5%	-0.5%	-0.4%	0.5%	-0.2%	0.9%	0.8%	1.1%	1.0%	1.7%	1.0%	1.5%
Services	113.540	114.196	115.017	115.799	116.628	117.442	118.306	119.200	120.029	120.886	121.770	122.699
% Ch	2.4%	2.3%	2.9%	2.7%	2.9%	2.8%	3.0%	3.1%	2.8%	2.9%	3.0%	3.1%
Consumer Price Index	1.921	1.926	1.933	1.941	1.949	1.958	1.967	1.977	1.986	1.996	2.005	2.016
% Ch	2.4%	1.0%	1.5%	1.7%	1.6%	1.9%	1.9%	2.1%	1.8%	2.1%	1.8%	2.1%
SELECTED INTEREST RATES												
Federal Funds	2.4%	2.9%	3.5%	3.9%	4.0%	4.0%	4.0%	4.1%	4.3%	4.3%	4.3%	4.3%
NY Fed Discount	3.4%	3.9%	4.5%	4.9%	5.0%	5.0%	5.0%	5.1%	5.3%	5.3%	5.3%	5.3%
Prime	5.4%	5.9%	6.5%	6.9%	7.0%	7.0%	7.0%	7.1%	7.3%	7.3%	7.3%	7.3%
Existing Home Mortgage	5.7%	6.0%	6.4%	6.6%	6.6%	6.5%	6.5%	6.5%	6.6%	6.7%	6.7%	6.8%
U.S. Govt. 3-Month Bills	2.5%	2.9%	3.3%	3.7%	3.8%	3.8%	3.8%	3.8%	3.9%	3.9%	3.9%	3.9%
U.S. Govt. 6-Month Bills	2.8%	3.0%	3.5%	3.9%	3.9%	3.9%	3.9%	4.0%	4.1%	4.1%	4.1%	4.1%
U.S. Govt. 5-Year Notes	3.9%	4.2%	4.5%	4.8%	4.8%	4.8%	4.8%	4.9%	5.0%	5.0%	5.0%	5.0%
U.S. Govt. 10-Year Notes	4.3%	4.5%	4.8%	5.1%	5.2%	5.2%	5.2%	5.2%	5.4%	5.4%	5.4%	5.4%
SELECTED US PRODUCTION INDICES												
Wood Products	107.3	105.8	103.4	101.4	99.7	98.1	96.9	95.7	95.2	94.9	94.6	94.5
% Ch	7.0%	-5.3%	-9.0%	-7.6%	-6.5%	-6.0%	-5.0%	-4.7%	-2.2%	-1.2%	-1.4%	-0.5%
Computers & Electronic Products	311.1	320.8	330.4	338.5	346.5	354.4	364.1	377.7	391.3	404.8	418.7	433.1
% Ch	11.5%	13.0%	12.5%	10.3%	9.7%	9.5%	11.3%	15.8%	15.2%	14.5%	14.4%	14.6%
Food	112.8	113.2	113.7	114.3	114.8	115.4	115.9	116.5	117.2	117.7	118.3	118.9
% Ch	1.0%	1.7%	1.8%	1.8%	1.9%	1.9%	2.0%	2.1%	2.1%	2.0%	2.0%	2.0%
Agricultural Chemicals	81.6	81.6	81.5	81.4	81.4	81.4	81.3	81.2	80.9	80.6	80.4	80.3
% Ch	1.0%	-0.2%	-0.6%	-0.5%	0.0%	0.0%	-0.1%	-0.8%	-1.2%	-1.5%	-1.0%	-0.7%
Metal Ore Mining	77.2	78.6	79.8	80.8	81.9	82.8	83.8	84.6	85.5	86.2	86.9	87.5
% Ch	13.0%	7.5%	6.2%	5.1%	5.6%	4.5%	4.9%	3.9%	4.3%	3.3%	3.3%	2.8%

APPENDIX

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THE GLOBAL INSIGHT U.S. MACROECONOMIC MODEL

Global Insight's Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The Global Insight model is divided into the following eight major sectors:

- I Private Domestic Spending**
- II Production and Income**
- III Taxes**
- IV International Transactions**
- V Financial**
- VI Inflation**
- VII Supply**
- VIII Expectations**

- I. **Private Domestic Spending.** Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

Global Insight divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

- II. **Production and Income.** The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and unemployment rate. Corporate profits are calculated as the residual of total national income less the nonprofit components of income mentioned above.

- III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.
- IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.
- V. **Financial.** The Global Insight model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.
- VI. **Inflation.** Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.
- VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.
- VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the Global Insight U.S. Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

$$\begin{aligned} \text{personal income} = & \text{wage and salary payments} + \text{other labor} \\ & \text{income} + \text{farm proprietors' income} + \text{nonfarm proprietors'} \\ & \text{income} + \text{property income} + \text{transfer payments} - \text{contributions} \\ & \text{for social insurance} + \text{residence adjustment.} \end{aligned}$$

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly-aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 23 North American Industry Classification System employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of

endogenous variables. They are more often subject to change as expectations regarding future economic behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from Global Insight's U.S. macroeconomic model.

Since the output of the IEM depends in large part upon the output of the Global Insight model, an understanding of the Global Insight model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the Global Insight model are discussed in the National Forecast section.

IDAHO ECONOMIC MODEL

$$EEA_ID = EEA_ID_GOODS + EEA_ID_NONGOODS$$

$$EEA_ID_2100 = 4567.855 + 54.848*ID0IP2122_2123 - 3665.535*(JULCNF/WPI10) - 15.156*(IPSG21/ENRM21) + 13.231*TREND$$

$$EEA_ID_2300 = 13650.426 + 493.542*ID0HSPRS1_A + 423.036*ID0HSPRS1_A(-1) + 352.530*ID0HSPRS1_A(-2) + 282.024*ID0HSPRS1_A(-3) + 211.518*ID0HSPRS1_A(-4) + 141.012*ID0HSPRS1_A(-5) + 70.506*ID0HSPRS1_A(-6)$$

$$EEA_ID_3110 = 26358.836 + 60.245*MOVAV(IPSG311,4) - 236.379*IPSG311/EMN311$$

$$EEA_ID_3230 = 738.391 + 21.418*MOVAV(IPSG323,8) - 5.001*TREND$$

$$EEA_ID_3250 = 2372.476 + 19.414*MOVAV(IPSG3253(-1),4) - 1935.741*DUM951ON$$

$$EEA_ID_3320 = -1160.581 + 49.928*MOVAV(IPSG332,2) - 634.791*(JULCNF/WPI10) + 3.843*TREND$$

$$EEA_ID_3330 = 441.127 + 30.340*IPSG333 - 2.583*TREND$$

$$EEA_ID_3340 = -18419.262 + 26.865*MOVAV(IPSG3341,4) + 12.122*DUM911011* MOVAV(IPSG3341,4)- 91.317*IPSG3341/EMD334+327.402*TREND$$

$$EEA_ID_4200 = 6507.884 + 0.322*EEA_ID_44_45-36.027*TREND$$

$$EEA_ID_44_45 = 24657.973 + 152.568*MOVAV(YPADJ_ID,4)/MOVAV(JPC,4)$$

$$EEA_ID_48_49_22 = -8384.375 + 0.844*EEA_ID_4200 + 4552.166*ID0NPT$$

$$EEA_ID_5100 = -5155.574 + 52.030*MOVAV(IPSN51112T9,6) + 20.159*MOVAV(IPSG51111,4) + 5158.240*ID0NPT$$

$$EEA_ID_52_53 = -11251.499 - 6039.995*DUM981ON + 2178.101*(DUM9801004*MOVAV(SP500/SP500(-2),2) + 96.838*ID0KHU$$

$$EEA_ID_54_55_56 = -38052.026 + 155.554*YPADJ_ID/JPC + 207.324*MOVAV(RADR,8)$$

$$EEA_ID_61_62 = -48155.902 + 59653.632*ID0NPT + 82.041*YPADJ_ID/JPC$$

$$EEA_ID_71_72 = -49995.530 + 126801.480*ID0NPT-499.072*TREND$$

$$EEA_ID_8100 = 2057.874 + 49.419*MOVAV(YPADJ_ID,2)/MOVAV(JPC,2) +1298.540*DUM931964$$

$$EEA_ID_DMANU = EEA_ID_WOOD + EEA_ID_3320 + EEA_ID_3330 + EEA_ID_3340 + EEA_ID_MFDNEC$$

$$EEA_ID_GOODS = EEA_ID_MANU + EEA_ID_2300 + EEA_ID_2100$$

$$EEA_ID_GV = EEA_ID_GVSL + EEA_ID_GVF$$

$$EEA_ID_GVF = -3266.790 + 1238786.989*EG91*(ID0NPT/N) + 4.863*TREND$$

$$EEA_ID_GVSL = EEA_ID_GVSLAD + EEA_ID_GVSLED$$

$$EEA_ID_GVSLAD = -4472.481 + 33689.989*ID0NPT + 0.306*MOVAV(ID0YPTXB(-4),4) - 3.494*DUM911034$$

$$EEA_ID_GVSLED = 8960.141 + 59587.259*ID0NPT*((N-N16A)/N) + 0.880*MOVAV(ID0YPTXB(-4),2)$$

$$EEA_ID_MANU = EEA_ID_DMANU + EEA_ID_NMANU$$

$$EEA_ID_MFDNEC = -3255.845 + 108.264*MOVAV(ID0IPMFDNEC,2)$$

$$EEA_ID_MFNNEC = 835.876 + 1.457*(CNCSR+CNOOR) + 26.113*MOVAV(IPSG322,2)$$

$$EEA_ID_NMANU = EEA_ID_3110 + EEA_ID_3230 + EEA_ID_3250 + EEA_ID_MFNNEC$$

$$EEA_ID_NONGOODS = EEA_ID_SV + EEA_ID_4200 + EEA_ID_44_45 + EEA_ID_GV$$

$$EEA_ID_SV = EEA_ID_48_49_22 + EEA_ID_5100 + EEA_ID_52_53 + EEA_ID_54_55_56 + EEA_ID_61_62 + EEA_ID_71_72 + EEA_ID_8100$$

$$EEA_ID_WOOD = 18067.858 + 129.567*MOVAV(IPSG321,2) - 7051.720*(JULCNF/WPI08) - 48.621*IPSG321/EMD321 - 61.106*TREND$$

$$ID0AHEMF = -3.875 + 15.315*(EEA_ID_DMANU(-1)/EEA_ID_MANU(-1)*JULCNF) + 15.286*(EEA_ID_NMANU(-1)/EEA_ID_MANU(-1)*JULCNF)$$

$$ID0CRCROP = -682937.435 + 13112.683*CRCROP + 1101452.593*WPI01$$

$$ID0CRLVSTK = -274428.892 + 20747.811*(CRCATCVS+CRDAIRY) + 7932.123*TREND$$

$$ID0EXFP = -57009.312 + 1064462.546*WPI01 + 19241.224*TREND$$

$$ID0HSPR = ID0HSPRS1_A + ID0HSPRS2A_A$$

$$\text{ID0HSPRS1_A} = -40.687 - 0.728 * (\text{RMMTGEXIST} - \text{MOVAV}(\text{RMMTGEXIST}(-1), 4)) + \\ 143.540 * (\text{MOVAV}(\text{ID0NPT}(-1), 4) - \text{MOVAV}(\text{ID0NPT}(-5), 4)) + 0.336 * \text{ID0KHU}(-1) - 0.522 * \text{TREND}$$

$$\text{ID0HSPRS2A_A} = 5.056 + 36.293 * (\text{MOVAV}(\text{ID0NPT}(-1), 4) - \text{MOVAV}(\text{ID0NPT}(-5), 4)) - \\ 0.229 * \text{MOVAV}(\text{RMMTGEXIST}, 4) - 0.003 * \text{TREND} * \text{RMMTGEXIST}$$

$$\text{ID0KHU} = \text{ID0KHU1} + \text{ID0KHU2A}$$

$$\text{ID0KHU1} = ((0.997)^{0.25}) * \text{ID0KHU1}(-1) + \text{ID0HSPRS1_A} / 4$$

$$\text{ID0KHU2A} = ((0.997)^{0.25}) * \text{ID0KHU2A}(-1) + \text{ID0HSPRS2A_A} / 4$$

$$\text{ID0NB} = -9.239 + 37.574 * \text{ID0NPT} - 0.154 * \text{TREND}$$

$$\text{ID0ND} = 0.725 + 5.979 * \text{ID0NPT} + 0.009 * \text{TREND}$$

$$\text{ID0NMG} = (\text{ID0NPT} - \text{ID0NPT}(-4)) - (\text{ID0NB} - \text{ID0ND}) / 1000$$

$$\text{ID0NPT} = 0.664 + 0.005 * \text{TREND}$$

$$\text{ID0WBB\$} = \text{ID0WBBMF\$} + \text{ID0WBBOTH\$} + \text{ID0WBBCC\$} + \text{ID0WBBF\$} + \text{ID0WBBMIL\$}$$

$$\text{ID0WBBCC\$} = (\text{ID0WRWCC\$} * \text{EEA_ID_2300}) / 1000000$$

$$\text{ID0WBBF\$} = -90.970 + 275.743 * \text{WPI02}$$

$$\text{ID0WBBMF\$} = (\text{ID0WRWMF\$} * \text{EEA_ID_MANU}) / 1000000$$

$$\text{ID0WBBMIL\$} = 14.851 + 277.580 * (\text{ID0NPT}/N) * \text{GFMLCWSS}$$

$$\text{ID0WBBOTH\$} = \text{ID0WRWOTH\$} * (\text{EEA_ID} - \text{EEA_ID_2300} - \text{EEA_ID_MANU}) / 1000000$$

$$\text{ID0WRWCC\$} = -106.480 + 2251.822 * \text{ID0AHEMF}$$

$$\text{ID0WRWMF\$} = -10374.227 + 3644.946 * \text{ID0AHEMF}$$

$$\text{ID0WRWOTH\$} = -13193.381 + 2897.413 * \text{ID0AHEMF}$$

$$\text{ID0YDIR\$} = -70.954 + 1.061 * (\text{YP}(\text{PAINT} + \text{ZADIV} + \text{YP}(\text{RENTADJ})) * \text{MOVAV}(\text{ID0YP\$}(-1), 4) / \text{MOVAV}(\text{YP}(-1), 4))$$

$$\text{ID0YFC\$} = -11859.941 + 0.966 * \text{ID0YFC\$}(-1) + 19021.597 * \text{WPI01}$$

$$\text{ID0YINV_R\$} = -29839.875 + 0.852 * \text{ID0YINV_R\$}(-1) + 56217.395 * \text{WPI01}$$

$$ID0YP = ID0YP\$ / JPC*100$$

$$ID0YP\$ = ID0WBB\$ + ID0YSUP\$ + ID0YDIR\$ + ID0YPRNF\$ + ID0YPRF\$ + ID0YTR\$ + ID0YRA\$ - ID0YSI\$$$

$$ID0YP\$PC = ID0YP\$ / ID0NPT$$

$$ID0YPNF = ID0YPNF\$ / JPC*100$$

$$ID0YPNF\$ = ID0YP\$ - ID0YPRF\$ - ID0WBBF\$$$

$$ID0YPNFPC = ID0YPNF\$ / JPC*100 / ID0NPT$$

$$ID0YPPC = ID0YP / ID0NPT$$

$$ID0YPRF\$ = 128.222 + 0.171*((ID0CRCROP+ID0CRLVSTK+ID0YTRF\$+ID0YINV_R\$-ID0YFC\$-ID0EXFP)/1000) + 3.123*TREND$$

$$ID0YPRNF\$ = 61.740 + 4.328*YPPROPADJNF$$

$$ID0YPTXB = (ID0WBB\$ + ID0YPRNF\$ + ID0YDIR\$ + (ID0YPRF\$ - ID0YINV_R\$ / 1000)) / JPC*100$$

$$ID0YRA\$ = -86.366 + 0.035*ID0WBB\$$$

$$ID0YSI\$ = -28.292 + 2.279*TXSIEC*ID0WBB\$/YPCOMPWSD$$

$$ID0YSUP\$ = 4.306 + 1.623*YPCOMPSUPPAI*ID0WBB\$/YPCOMPWSD$$

$$ID0YTR\$ = 0.463 + 837.656*(YPTRFGF+YPTRFGSL)*(ID0NPT/N)$$

$$ID0YTRF\$ = 19176.957 + 10953.587*TRF\$$$

$$IDWAGE = (ID0WBB\$ - ID0WBBF\$ - ID0WBBMIL\$) / EEA_ID * 1000000$$

$$YPADJ_ID = ID0YPNF\$ + MOVAV(ID0YPRF\$,4) + MOVAV(ID0WBBF\$,4)$$

ENDOGENOUS VARIABLES

EEA_ID	Employment on nonagricultural payrolls, total
EEA_ID_2100	Employment in mining
EEA_ID_2300	Employment in construction
EEA_ID_3110	Employment in food processing
EEA_ID_3230	Employment in printing
EEA_ID_3250	Employment in chemicals
EEA_ID_3320	Employment in fabricated metal products
EEA_ID_3330	Employment in machinery
EEA_ID_3340	Employment in computers and electronic products
EEA_ID_4200	Employment in wholesale trade
EEA_ID_44_45	Employment in retail trade
EEA_ID_48_49_22	Employment transportation, warehousing, and utilities
EEA_ID_5100	Employment in information
EEA_ID_52_53	Employment in finance, insurance, and real estate
EEA_ID_54_55_56	Employment in professional, scientific, and technical services
EEA_ID_61_62	Employment in health care and educational services
EEA_ID_71_72	Employment in leisure and hospitality
EEA_ID_8100	Employment in other services
EEA_ID_DMANU	Employment in durable goods manufacturing
EEA_ID_GOODS	Employment in goods producing
EEA_ID_GV	Employment in government
EEA_ID_GVF	Employment in federal government
EEA_ID_GVSL	Employment in state and local government
EEA_ID_GVSLAD	Employment in state and local government, administration
EEA_ID_GVSLED	Employment in state and local government, education
EEA_ID_MANU	Employment in manufacturing
EEA_ID_MFDNEC	Employment in other durable manufacturing
EEA_ID_MFNNEC	Employment in other nondurable manufacturing
EEA_ID_NMANU	Employment in nondurable manufacturing
EEA_ID_NONGOODS	Employment in non-goods producing
EEA_ID_SV	Employment in services
EEA_ID_WOOD	Employment in wood products and logging
ID0AHEMF	Average hourly earnings in manufacturing
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0HSPR	Housing starts, total
ID0HSPRS1_A	Adjusted housing starts, single units
ID0HSPRS2A_A	Adjusted housing starts, multiple units
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NMG	Net in-migration of persons
ID0NPT	Resident population

ID0WBB\$	Wage and salary disbursements
ID0WBBCC\$	Wage and salary disbursements, construction
ID0WBBF\$	Wage and salary disbursements, farm
ID0WBBMF\$	Wage and salary disbursements, manufacturing
ID0WBBMIL\$	Wage and salary disbursements, military
ID0WBBOTH\$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC\$	Average annual wage, construction
ID0WRWMF\$	Average annual wage, manufacturing
ID0WRWOTH\$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR\$	Dividend, interest, and rent income
ID0YFC\$	Corporate farm income
ID0YINV_R\$	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 2000 dollars
ID0YP\$	Total personal income
ID0YP\$PC	Per capita personal income
ID0YPNF	Nonfarm personal income, 2000 dollars
ID0YPNF\$	Nonfarm personal income
ID0YPNFP\$C	Per capita nonfarm income, 2000 dollars
ID0YPPC	Real per capita personal income
ID0YPRF\$	Net farm proprietors' income
ID0YPRNF\$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 2000 dollars
ID0YRA\$	Residence adjustment, personal income
ID0YSI\$	Contributions for social insurance
ID0YSUP\$	Other labor income
ID0YTR\$	Transfer payments to persons
ID0YTRF\$	Government payments to Idaho farmers
IDWAGE	Average annual wage
YPADJ_ID	Adjusted total personal income

EXOGENOUS VARIABLES

CNCSR weighted	Personal consumption expenditures, clothing and shoes, 2000 dollars, chain
CNOOR	Personal consumption expenditures, other nondurable goods, 2000 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
CRDAIRY	Cash receipts, U.S. dairy
DUM911011 DUM911034 DUM931964 DUM9510N DUM98011004 DUM9810N TREND	These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or noneconomic event such as strikes, plant opening, or closures, unusual weather conditions, etc.
EG91	Employment in federal government
ENRM21	Employment in mining
GFMLCWSS	Federal government defense personnel outlays
ID0IP2122_2123	Industrial production index, metal and nonmetal ore mining, 1997=100.0
ID0IPMFDNEC	Industrial production index, other nondurable goods, 1997=100.0
IPSG21	Industrial production index, mining, 1997=100.0
IPSG311	Industrial production index, food, 1997=100.0
IPSG321	Industrial production index, wood products, 1997=100.0
IPSG322	Industrial production index, paper, 1997=100.0
IPSG323	Industrial production index, printing, 1997=100.0
IPSG3253	Industrial production index, agricultural chemicals, 1997=100.0
IPSG332	Industrial production index, fabricated metal products, 1997=100.0
IPSG333	Industrial production index, machinery, 1997=100.0
IPSG3341	Industrial production index, computer and peripheral equipment, 1997=100.0
IPSG51111	Industrial production index, newspaper publishing, 1997=100.0
IPSN51112T9	Industrial production index, other publishing, 1997=100.0
JEXCHOITPREAL	Real US trade-weighted exchange rate with other important trading partners
JPC	Implicit price deflator, personal consumption, 2000=100.0, chain weighted
JULCNF	Index of unit labor costs, nonfarm business sector, 1992=1.0
N	Population, U.S.
NP16	Population, U.S., aged 16 and older
RADR	Real research and development spending, 2000 dollars, chain weighted
RMMTGEXIST	Effective conventional mortgage rate, existing homes, combined lenders
SP500	Standard & Poor's 500 index of common stocks
TRF\$	Government payments to U.S. farms
TXSIEC	Personal contributions for social insurance, U.S.
WPI01	Producer price index, farm products, 1982=1.0

WPI02	Producer price index, processed foods and feeds, 1982=1.0
WPI08	Producer price index, lumber and wood products, 1982=1.0
WPI10	Producer price index, metals and metal products, 1982=1.0
YP	Personal income
YPAINT	Personal interest income
YPCOMPSUPPAI	Other labor income, U.S.
YPCOMPWSD	Wage and salary disbursements
YPPROPADJNF	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YPRENTADJ	Rental income of persons with capital consumption adjustment
YPTRFGF	Federal transfer payments to individuals
YPTRFGSL	State and local transfer payments to individuals
ZADIV	Dividends

**Division of Financial Management
700 W. Jefferson, Room 122
P.O. Box 83720
Boise, Idaho 83720-0032**

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